

**OTAY RANCH PRESERVE OWNER/MANAGER (POM)
PRESERVE MANAGEMENT TEAM (PMT) MEETING**
276 Fourth Avenue, Building 300 (Public Services North)
Human Resources Training Room
Chula Vista, CA 91910

January 23, 2009
2:00 – 4:00 pm

AGENDA

- I. Call to Order**
- II. Approval of POM PMT Meeting Minutes of October 29, 2008**
- III. Public Comment on items not related to Agenda**
- IV. Status Reports**
 - A. Outstanding Issues on Pending Conveyances** (*Josie McNeeley, Cheryl Goddard*)
 - 1. Future Infrastructure**
 - a. Mediation
 - 2. Access Issues**
 - a. Access through other Public Agency lands
 - B. Future Preserve Owner/Manager Alternatives**
 - 1. Alternative Pros and Cons**
- V. Finance** (*Josie McNeeley, Cheryl Goddard*)
 - A. FY08-09 Budget Update**
 - B. Proposed FY09-10 Budget**
 - C. 5-year Projected Budget**
- VI. Proposed Policy Committee Agenda** (*Cheryl Goddard, Josie McNeeley*)
- VII. Next PMT Meeting**
 - A. TBD**
- VIII. Adjournment**

DRAFT Minutes
Otay Ranch POM PMT Meeting
County Administration Center, Room 302/303
1600 Pacific Highway
San Diego, CA 92101

October 29, 2008
2:00-4:00pm

ATTENDEES:

City of Chula Vista

Scott Tulloch, Interim City Manager
Jill Maland, Deputy City Attorney
Marisa Lundstedt, Principal Planner
Josie McNeeley, Associate Planner
Tessa Quicho, Administrative Analyst
Amy Partosan, Administrative Analyst

County of San Diego

Chandra Wallar, Deputy Chief Administrative Officer, Land Use & Env. Group
Renée Bahl, Director, Department of Parks and Recreation (DPR)
Mark Mead, County Counsel
LeAnn Carmichael, Planning Manager, Department of Planning and Land Use
Larry Duke, District Park Manager, DPR
Cheryl Goddard, Land Use Environmental Planner, DPR

Public

Jill Terp, USFWS – San Diego National Wildlife Refuge
Tom Tomlinson, McMillin Companies
Justin Craig, McMillin Companies
Rikki Schroeder, RMA for McMillian Companies
Kim Kilkenny, Otay Ranch Company
Ranie Hunter, Otay Ranch Company
Rob Cameron, Otay Ranch Company
Sean Kilkenny, Otay Ranch Company
Curt Noland, Otay Land Company

Agenda Item Numbers noted in parentheses

1. **Call to Order**
(I.) Meeting called to order at 2:00 pm by County of San Diego/CHANDRA WALLAR.
2. (II.) WALLAR motioned to approve the meeting minutes. Motion seconded by City of Chula Vista/SCOTT TULLOCH. Motion carried.

3. **Public Comment on items not related to Agenda**

(III.) WALLAR opened and closed with no comment.

4. **Status Report**

(IV.A.1.a) County of San Diego/LEANN CARMICHAEL reported on the Board Policy I-109 Otay Ranch Implementation Document Amendment (*initiated by the County of San Diego*) - Adoption of Phase 2 RMP and Preserve Boundary Modifications - CARMICHAEL stated that the updates to Phase 2 RMP be completed in Spring 2009.

(IV.A.1.b) CARMICHAEL reported that the Applicant for Village 13, the Otay Ranch Company, is working with County staff to bring forward studies as they are completed. They are to submit by March 2009.

(IV.A.1.c) CARMICHAEL reported that the County's Wolf Canyon Vacation/Replacement application is pending on reaching resolution on future infrastructure.

(IV.A.2.2) City of Chula Vista/JOSIE MCNEELEY reported that the City is in line with the County's Wolf Canyon Vacation/Replacement application and are also in a holding pattern until the issue of future infrastructure is resolved. The City will coordinate with County staff as hearing dates are scheduled.

(IV.B.1) County of San Diego/CHERYL GODDARD reported on the status of pending conveyances. GODDARD stated that there are approximately 1,500 acres that are pending conveyance due to outstanding issues. Outstanding issues include future infrastructure, access issues, and a vacation/replacement process.

GODDARD reported that there are approximately 114 acres that are pending conveyance due to the issue of future infrastructure. These lands include 41 acres offered by Brookfield Shea in the Salt Creek area and 73 acres offered by Otay Ranch Company in Wolf Canyon. Pending resolution by the POM Policy Committee on the issue of future infrastructure, POM Staff anticipates these lands to be accepted and transferred in fee title in 2009.

GODDARD reported that there are 109 acres that are pending conveyance due to the issue of future infrastructure and the property has a Wildlife Agencies' restoration requirement. The property is in year 5 of a 5 year success criteria for wetland restoration. POM Staff anticipates this land to be transferred in fee title in 2010.

GODDARD reported that there are 405 acres that are pending conveyance due to access issues in which the developer, Otay Ranch Company, is in the process of providing access easements to the property. POM Staff anticipates these lands to be transferred in fee title in 2009.

GODDARD reported that there are 350 acres that are pending conveyance due to access issues in which POM Staff is working with the developers, Otay Ranch Company and McMillin Companies, to obtain legal access to the proposed conveyance lands. POM Staff is working with the City of San Diego Water Department and the California Department of Fish and Game office to discuss legal access options. POM Staff anticipates these lands to be transferred in fee title in 2009.

GODDARD reported that there are 558 acres that are pending conveyance due to a vacation and replacement process. These lands are located directly north of Village 13. These lands will not be accepted until the Village 13 development and Preserve footprint are considered and approved by the County Board of Supervisors. POM Staff anticipates these lands to be transferred in fee title in 2010.

GODDARD summarized the pending conveyances. There are 1,536 acres that are pending conveyance. 869 acres are anticipated to be transferred in fee title in 2009. Of the 869 acres, 114 acres are pending due to future infrastructure issues alone. 667 acres are anticipated to be transferred in fee title in 2010.

(IV.B.2) MCNEELEY reported on the meeting held with POM Staff and Wildlife Agencies' Staff. The County and the City have served as the POM over the last 12 years. Pursuant to the Otay Ranch Joint Powers Agreement (JPA), under Section 2, the functions and role of the POM are to be re-evaluated every 5 years. The City has initiated discussions with the County to determine what the future approach of the POM should be, i.e. if the County and the City should continue to serve as the POM under the existing structure. POM Staff has looked at options including the National Wildlife Refuge taking over POM responsibilities for those lands east of Otay Lakes, assigning a third-party POM which would terminate the existing JPA, and the possibility of splitting the Preserve responsibilities so that the City is responsible for managing and monitoring those Preserve lands within the City's jurisdiction and the County will be responsible for the Preserve lands within the unincorporated County. These are initial discussions with the County. POM Staff has scheduled a meeting with the Wildlife Agencies for early November to obtain their input. POM Staff will keep the PMT apprised of the discussions with the Wildlife Agencies.

WALLAR asked if both County and City staff will be present at the meeting with the Wildlife Agencies.

MCNEELEY stated yes.

TULLOCH stated that this item is listed on the draft Policy Committee agenda handout but that the PMT should agree that POM Staff come back and

present the different POM structure options to the PMT at its next meeting. The item should also remain on the Policy Committee agenda to let them know the status of this item.

WALLAR agreed.

(IV.C.1) GODDARD reported on the status of the future infrastructure issue. At the last Policy Committee meeting held in July, the Policy Committee was not able to reach resolution on this item and directed POM Staff to continue discussions on future infrastructure. Since that meeting, the County and the City's legal staff have continued discussions; the City's attorney provided a letter to County Counsel last week outlining the City's position; after the July 17th Policy Committee meeting, County proposed mediation prior to the next Policy Committee meeting however the City proposed that mediation be considered upon adoption of Dispute Resolution Process by the Policy Committee at their next meeting scheduled for November 20th.

WALLAR stated that not much has changed since the PMT last met. WALLAR asked County of San Diego County Counsel/MARK MEAD if he had the opportunity to review the letter from the City's Attorney.

MEAD stated that he has reviewed the letter from City of Chula Vista Deputy City Attorney/JILL MALAND and that it is similar to the position held by former City Attorney Ann Moore. The County and the City continue to disagree. The County's position is that future infrastructure is a property rights issue not a land use regulations issue. The issue is two joint property owners agreeing to the location of an easement, it has nothing to do with land use regulations.

MALAND requested that legal staff have an opportunity to further discuss the option of condemnation in the context related to POM lands and future infrastructure. In the City's perspective, condemnation is an untenable solution in that there would be a significant amount of time and money needed to resolve the issue of locating an easement anytime the two property owners can't come to resolution on a location. In regards to the property rights position, the City believes that the Policy and regulatory documents provide a significant amount of requirements and limitations upon where an easement can be sited so even as the property owner(s) we would be working within the confinement of those restrictions, and ultimately regardless of who the property owner is the jurisdiction having land use authority would have the final approval authority on the easement location. The City's position has not changed. The conveyance documents should specify an easement for the future infrastructure, we hope that the County and the City agree to this, and if they are not able to then the final approval authority lays with the jurisdiction having land use authority.

WALLAR stated that we have come full circle on this issue. Before Ann Moore had retired from the City, she had stated it was her desire that the

incoming attorney have an opportunity to review the issue. The County and the City's position have not changed. WALLAR asked POM Staff what this will do to the timeline of pending conveyances in which future infrastructure is the only outstanding issue.

GODDARD stated that the City proposes using mediation after the Policy Committee has considered the proposed Dispute Resolution Process. The Policy Committee is scheduled to meet on November 20th. If the Policy then directs staff to utilize mediation, POM Staff anticipates mediation to occur in January. POM Staff will report back to the PMT and Policy at their next meetings in February or March. Upon the Policy Committee reaching resolution on future infrastructure, POM Staff anticipates the transfer of fee title to the 114 acres within 3-4 weeks.

MALAND stated that in order to speed up the timeline, the City offers to schedule mediation for a date subsequent to the Policy Committee meeting. Then the POM is not held up any further. This is in anticipation that the Policy Committee will approve a dispute resolution process. Once a dispute resolution process is approved, POM Staff can participate in mediation. Since the mediation session will already be scheduled, POM Staff won't have to wait until after the Policy Committee is over to schedule the meeting which may take another month or so to get on the mediator's calendar. This will help speed up the process.

WALLAR asked what the risks are in regards to costs of scheduling a mediation session if the Policy Committee decided not to adopt the dispute resolution process. Is there a fee to cancel a mediation session?

MALAND stated that it is up to the individual mediator but that is something that can likely be worked out by informing the mediator of the situation. Mediators have not yet been contacted.

TULLOCH stated that the proposed Policy Committee agenda lists Future Infrastructure under both status report and policy decision. Since the same ground will be covered, Future Infrastructure should be listed as a policy decision issue. This will allow the Policy Committee an opportunity to possibly resolve the issue at their next meeting and if they can't come to resolution, then the Policy Committee can then direct staff to participate in mediation.

WALLAR agreed but stated that the Policy Committee does not need to direct staff to utilize mediation, it is not a requirement. If we can schedule a mediation session sooner and try and reach consensus at a staff level or even just hear the mediator's evaluation, then it can be presented to the Policy Committee for their consideration.

MALAND stated the Policy Committee directed staff to draft a dispute resolution process to include mediation and bring it back to the Policy Committee for their review and consideration. The City also recommends that the dispute resolution process be implemented as an amendment to the JPA which will require Policy Committee direction.

WALLAR stated that staff definitely needs to keep moving forward on the issue of future infrastructure as there are developers, many in today's audience, that are interested in seeing this issue resolved.

TULLOCH stated that there will likely be some disagreement on the next item, Dispute Resolution Process, in regards to when you participate in mediation. Who can direct staff to participate in mediation? Will it be at the PMT level, will both the PMT and Policy Committee need to provide direction, or is it just the Policy Committee that can direct staff to participate in mediation?

5. Policy Decision Issue

(V.A.) MCNEELEY reported on the proposed Dispute Resolution Process and provided background information on this item. The JPA requires a unanimous vote by the Policy Committee to set policies related to the POM. The JPA does not have a process in place to resolve issues in which POM Staff, the PMT, or the Policy Committee is unable to reach consensus. The Policy Committee directed staff to draft a dispute resolution process to include non-binding mediation to be presented back to the Policy Committee.

MCNEELEY stated that the City's dispute resolution proposal includes that the County and the City, as the POM, must agree to a neutral third party mediator; each party pays for ½ of the cost of the mediation session; the mediation outcome is non-binding; and if consensus still cannot be reached, the PMT is to recommend alternative action. The alternative actions are listed in the handout. The dispute resolution process may be implemented by amending the JPA which shall require Board and City Council action or the Policy Committee may adopt and implement the process as a POM Policy.

MCNEELEY stated that the City's recommendation is to approve the POM Dispute Resolution Process as outlined in the City's proposal dated October 22, 2008 and preferred implementation method and direct POM staff to bring forward to the Policy Committee for their consideration. The City recommends that the dispute resolution process be implemented by amending the JPA so that the process is memorialized in the JPA.

WALLAR asked for clarification on the City's proposed implementation method. WALLAR asked if the City is recommending that the dispute resolution process be implemented by amending the JPA rather than having the Policy Committee adopt it as a POM Policy.

MCNEELEY stated yes. The JPA should be amended to memorialize the process since the JPA currently does not identify a dispute resolution process.

TULLOCH stated that a dispute resolution process is significant enough to be included in the JPA. Amending the JPA to include the process will also insure that important policies are located in one document.

GODDARD reported on the County's dispute resolution process. The County agrees with the City's proposal with modification. The modification includes that the PMT has the ability to direct POM staff to participate in mediation. The City's proposal only allows the Policy Committee to direct staff to participate in mediation. It is the County's position that if the PMT is able to direct staff to participate in mediation it may assist in staff bringing a unified recommendation to the Policy Committee. The County also proposes that each jurisdiction, not the Policy Committee, determines the maximum amount that it may spend on the mediation. It is the County's position that the Policy Committee does not have the authority to determine a maximum amount a jurisdiction can spend on operational costs such as the use of mediation. The Policy Committee may provide direction over the use of CFD 97-2 funds but does not have authority to direct the use on a jurisdiction's operational budget. The last modification is to replace the following alternative action: "refer the matter to the legislative bodies of the City and the County for direction" with "refer the matter to the Otay Ranch Sub-Committee as established by County Board of Supervisors Policy I-109". Board of Supervisors Policy I-109 is included as a handout. It is the County's position that the Otay Ranch Sub-Committee is a more appropriate group to refer Otay Ranch matters to than the legislative bodies of the City and the County.

GODDARD stated that the County's recommendation on the dispute resolution process is to approve the POM Dispute Resolution Process as outlined in the City's proposal dated October 22, 2008 with the County's modifications dated October 29, 2008 and preferred implementation method and direct POM staff to bring forward to the Policy Committee for their consideration.

WALLAR asked for clarification on the maximum amount to be set on the use of mediation. WALLAR asked if the money used to cover the cost for the mediation is jurisdictional funds, not POM CFD funds.

GODDARD stated that is correct.

WALLAR clarified then that since it is jurisdictional funds being used, that each jurisdiction, not the Policy Committee, should determine the maximum amount to be used on mediation.

TULLOCH stated that in regards to the PMT directing staff to participate in mediation, it was the City's position that if the PMT could not come to consensus that it be taken to the Policy Committee to see if they could come to resolution. If they are able to come to resolution, it avoids the cost of mediation. However if the PMT members agreed unanimously to use mediation before presenting to the Policy Committee then the City is agreeable to that. If the PMT could not agree on the use of mediation then it would be up to the Policy Committee to decide.

WALLAR agreed.

TULLOCH had a question in regards to setting a maximum amount to be used on mediation. TULLOCH asked what happens if one party wants to spend \$100 on mediation and the other party only wants to spend \$50. Does that mean the maximum amount to be spent is \$50 or could the party who wants to spend \$100 go ahead and spend more? The proposal currently reads that each party is to pay for ½ the cost of the mediation. There may be a situation where the County wants to spend more than the City.

WALLAR stated that maximum amount should be whatever the lower the amount is unless the other party is willing to pay for the difference. One jurisdiction can't force the other to spend more than what they are willing to pay.

TULLOCH is in agreement that each jurisdiction determines the maximum amount to be spent on mediation.

MALAND stated that the basis for the Policy Committee level input on the cost is that they would have a more intimate knowledge of the nature of the dispute and could estimate the amount of time and cost to be dedicated to the dispute. The Policy Committee may not be able to authorize the maximum amount but they may provide a recommendation back to the legislative bodies for a maximum amount.

WALLAR stated that she is comfortable at her level to determine a maximum amount to be spent on mediation if both PMT members unanimously agree to use mediation. WALLAR has the existing authorization to fund the mediation and would not need to make a recommendation to the Policy Committee or Board of Supervisors.

TULLOCH stated that if staff takes a recommendation to the Policy Committee and then takes the recommendation to the legislative bodies that the Policy Committee members will be sitting as members of their respective legislative bodies.

WALLAR stated that she has the existing authorization under the Land Use and Environment Group to fund the mediation and would not need to go to the Board of Supervisors for authorization.

TULLOCH asked for clarification regarding when the jurisdiction is to determine the maximum amount, the County is not referring to the elected officials.

WALLAR clarified that in the County's perspective "jurisdiction" refers to whatever authority the PMT and Policy Committee is granted.

TULLOCH stated that it depends on the limit amount. It's possible that the maximum amount may exceed the authorization level granted to us at our staff level.

WALLAR stated that in her experience with mediation, the first round is usually not more than \$1,000. WALLAR estimates that the first round costs per party would be approximately \$500 to \$1000.

MALAND agrees that mediation typically runs approximately \$1000. Given the amount of time future infrastructure has been discussed by the POM it could exceed that cost estimate. The PMT may want to consider a higher amount.

WALLAR stated that the maximum cost should be discussed on a case-by-case basis by the PMT.

TULLOCH stated that if the PMT cannot reach consensus on an amount then the Policy Committee will need to provide direction.

WALLAR agreed.

TULLOCH stated in regards to the last County proposed modification, the City proposed as an alternative action, that the POM go to the full respective legislative body for each jurisdiction to obtain a recommendation on a specific dispute that cannot be resolved by the POM Policy Committee and the County is proposing that the POM go to a Sub-Committee consisting of two elected officials from each jurisdiction to obtain a recommendation. TULLOCH asked for clarification as to who will decide on the alternative action.

MCNEELEY stated that if the Policy Committee cannot reach consensus that they may direct the PMT to participate in one or more of the alternative action options.

TULLOCH stated that he is not opposed to adding the Sub-Committee alternative as an option to the alternative actions.

WALLAR stated that it sounds like staff has consensus on the dispute resolution process.

County of San Diego/RENÉE BAHL stated that if the PMT agrees to use mediation on the future infrastructure issue and knowing that the Policy Committee directed staff to continue discussions in hopes of reaching resolution, does staff need to go back to the Policy Committee to ask if mediation can be utilized or can staff just start with mediation?

TULLOCH stated this is not what he is proposing. He PMT at this meeting had a second chance on the future infrastructure issues and the Policy Committee should as well. Staff will also present the dispute resolution process to the Policy Committee at their next meeting and it sounds like staff has consensus on that issue.

BAHL stated that staff does not have any new information or perspective to bring to the Policy Committee. The County and the City have the same respective recommendations that were presented to the Policy Committee at their previous meeting.

TULLOCH asked for clarification. Is the County suggesting bringing forward the future infrastructure issue to the Policy Committee before staff has participated in mediation?

BAHL clarified that staff should participate in mediation in regards to future infrastructure before it is presented to the Policy Committee again.

TULLOCH asked if the justification is that the POM fell on jurisdictional lines last time.

BAHL added that staff does not have any new information to bring forward to the Policy Committee and that the Policy Committee directed staff to work out future infrastructure. Going back to the Policy Committee to ask if staff can participate in mediation seems like staff the process of trying to reach resolution is being delayed.

WALLAR stated that she thought the discussion on this item is in regards to what the dispute resolution process should look like and if staff can reach consensus on the dispute resolution process then there will be a subsequent discussion today in regards to directing staff to move forward with mediation.

WALLAR stated that she saw this as a two-step process. First agree upon a dispute resolution process and then second apply it to future infrastructure.

TULLOCH stated that his hesitation is that the Policy Committee has not approved the dispute resolution process and they were the ones who asked to see the process.

BAHL stated that the Policy Committee recommended using mediation.

City of Chula Vista/MARISA LUNDSTEDT stated that POM Staff has reviewed the Policy Committee meeting minutes and is in agreement that the Policy Committee suggested the use of mediation as an alternative but that they directed staff to come back with a dispute resolution process.

TULLOCH stated that what we can do is what was proposed earlier today. Staff will schedule a mediation session directly after the Policy Committee meeting scheduled for November 20th so that staff is ready to go.

WALLAR agreed. It will probably take that long to coordinate schedules. Staff should go ahead and schedule mediation for directly after the November 20th Policy Committee meeting.

WALLAR asked staff if they are clear on direction regarding changes to the dispute resolution process.

GODDARD summarized the changes. In regards to the first change, the PMT, on a unanimous vote, can direct staff to participate in mediation if staff and the PMT cannot reach consensus on an issue. The second change is for each jurisdiction to decide a maximum amount to be spent on mediation. These amounts will be discussed at the PMT level. If the PMT agrees to the amount, then the PMT may direct staff to move forward with mediation. If they cannot reach consensus on an amount, the issue will be presented to the Policy Committee for their consideration. For the last change, staff will add the "refer the matter to the Otay Ranch Sub-Committee as established by County Board of Supervisors Policy I-109" to the list of possible alternative action options.

TULLOCH stated that the PMT should establish a limit for future infrastructure. The City proposes a \$5,000 limit for each jurisdiction for a total of \$10,000. Staff may need to know this information as they are setting up the mediation session.

WALLAR agreed.

6. Finance

(VI.A.) MCNEELEY summarized the Fiscal Year 2007-2008 budget. At the last PMT meeting held in May, the City was closing out fiscal year books and provided estimated totals. The Powerpoint slide shows actual totals. The Fiscal Year 2007-2008 budget was \$300,000. The City went out to levy for

\$382,623. The actual revenue collected totaled \$362,206 and the total expenditures totaled \$302,867. The beginning fund balance for Fiscal Year 2008-2009 is \$378,274. The finance handout shows actual line item costs. Administrative costs for Fiscal Year 2007-2008 exceeded the estimated budget by approximately \$13,000. This was due to policy issues that were addressed this year as well as time spent by the City's fiscal division and CFD consultant in preparing a CFD overview presentation. The Preserve Operations and Maintenance actual totals were approximately \$10,000 less than what was budgeted. The money was used to pay for the seasonal ranger, fence maintenance, minor equipment, and fence installation. The Monitoring total was \$110,000. The \$110,000 is encumbered in a contract. The consultant was paid \$50,000 last fiscal year and the remaining \$60,000 has been rolled over to the Fiscal Year 2008-2009 budget. The \$60,000 was levied during Fiscal Year 2007-2008.

MCNEELEY stated that the Fiscal Year 2008-2009 budget was reviewed at the last PMT meeting and unless there are questions the budget is shown on the handout.

WALLAR stated that she did not have questions on the Fiscal Year 2008-2009 budget but on the 5-year forecast.

TULLOCH stated that the Fiscal Year 2007-2008 revenue was in the \$360,000-\$380,000. The Fiscal Year 2008-2009 budget is in the \$500,000. TULLOCH asked if this was due to baseline survey one-time costs.

MCNEELEY stated that a Working Group met and the stakeholders provided input on priorities in implementing surveys. In addition, POM Staff considered lands that were anticipated to be transferred to the POM this year. In looking at the 2008-2009 budget, there is a line item titled Baseline Surveys budgeted for \$175,000. This is in anticipation that land will be conveyed to the POM and that surveys will need to be initiated.

TULLOCH asked if we are using fund balance that's carried over since the actual revenues are less than the budget.

MCNEELEY stated yes.

TULLOCH asked if the items listed on the right hand side of the finance handout reflect the projected Fiscal Year 2008-2009 budget.

MCNEELEY stated yes. The City went out to levy for \$510,339 for Fiscal Year 2008-2009. The City's finance staff reported an 8.17% delinquency rate during the last fiscal year. POM staff will incorporate this delinquency rate while drafting the Fiscal Year 2009-2010.

WALLAR stated that the PMT requested to see a 5-year forecast including projected revenue and expenditures at its last meeting held in May. WALLAR stated she is uncomfortable approving a budget in which she cannot see projected future revenues and expenditures. In particular, WALLAR would like to see projected reserve balances and CFD revenue amounts in light of the delinquency rates that were just reported. This information is imperative before a recommendation on the Fiscal Year 2009-2010 budget can be brought forward to the Policy Committee. WALLAR asked when will the PMT see the 5-year forecast.

MCNEELEY stated that City POM Staff is working with City finance staff and the CFD consultants to determine the levy amount that the City may go out for. Staff will factor in the delinquency rate and the development projections. Staff is in the process of drafting the forecast.

WALLAR asked when the PMT will see the 5-year forecast. WALLAR stated that she thought the PMT was going to be provided this information before today's meeting so that it could have been reviewed at this meeting. The Policy Committee meeting is scheduled for November 20th. Looking ahead at the Powerpoint a draft POM budget will need to be drafted by January 25th and there isn't another PMT or Policy Committee meeting scheduled after November 20th. It is budget crunch time.

MCNEELEY stated City staff will work with City finance staff to finalize budget timeline dates. The dates shown on the Powerpoint (January 25th – Draft POM Budget, February 15th – Final POM Budget, and April 15th – Anticipated Rollovers) are dates based on City Council hearing dates for Fiscal Year 2008-2009. The dates may be modified. Staff will work to schedule a PMT and Policy Committee meeting prior to January 25th.

WALLAR asked when the PMT will see the 5-year forecast.

MCNEELEY stated that staff will establish that date. City staff is working with City finance staff to determine when the City Council will be presented a POM budget amount.

WALLAR asked if the PMT will have at least a couple of weeks to review the 5-year forecast prior to presenting to the Policy Committee and that the Policy Committee will have time to provide input before the City takes the budget numbers to the City Council.

MCNEELEY stated staff will work to try and do so for the PMT.

TULLOCH stated that there is an approved Fiscal Year 2008-2009 budget. There is a concern regarding timelines for CFD execution and that the PMT and Policy Committee have an opportunity to review Fiscal Year 2009-2010 budget before levy amounts are introduced to the City Council.

WALLAR added that she also wants to insure that the CFD levy amount supports the estimated budget.

TULLOCH stated that another concern is that the PMT and Policy Committee have an opportunity to review a 5-year budget forecast. TULLOCH asked for clarification between the relationship of the 5-year budget forecast review and the review for next fiscal years budget.

WALLAR stated that part of the 5-year budget forecast is to review the fund balance amount and what that amount will look like in future fiscal years. WALLAR would like to see how the fund balance affects the CFD rates and what trends can be analyzed. Can the work plan be accomplished without having to increase and fluctuate the rates levied against the homeowners?

TULLOCH stated that if the POM could see if revenues were less than what was projected at the beginning of the fiscal year it would not only impact how that current fiscal year budget is spent but on the following fiscal years.

WALLAR agreed.

TULLOCH stated that the POM could then adjust and make different priority choices. TULLOCH asked if the current levy amount is close to its maximum amount.

MCNEELEY stated yes.

TULLOCH stated that if the CFD is close to the maximum then the only increase that will likely occur is from the automatic escalator. That will have an impact on future budgets. The maximum budget may not be able to support the work plan due to the delinquency rate.

WALLAR agreed. Work plans may need to be adjusted based on projected revenues. Having the 5-year budget forecast will allow the POM to prioritize tasks.

MCNEELEY stated that at the last PMT meeting, County and City staff disagreed on where CFD funds could be used. Since then the County and the City agree that the funds can be used for the operations, maintenance, and monitoring of lands conveyed to the POM. In addition the funds can be used for biota monitoring of pre-conveyed lands which are those lands still in private ownership. MCNEELEY stated that POM Staff would like to hold a Working Group meeting to discuss the use of CFD funds, prioritize monitoring tasks, and discuss locations that may require adaptive management.

GODDARD stated this item will be discussed with the Wildlife Agencies at the meeting scheduled for November 5th. This will provide POM Staff to discuss

and obtain Wildlife Agencies' staff initial input prior to meeting with the Working Group.

WALLAR stated that it is good to have consensus regarding where CFD funds may be used. WALLAR has a concern regarding scarce resources and what can be accomplished within the work plan. Tasks will need to be prioritized.

MCNEELEY agreed and stated that priority tasks will be reflected in the 5-year budget forecast.

(VI.B.) MCNEELEY state that POM Staff is preparing a 5-year forecast table illustrating the projected POM expenditures and estimated CFD levy amounts through FY2012/2013. POM Staff is continuing to review and modify the table accordingly. POM staff will need to come to agreement regarding the assumptions for the cost of surveys. City POM Staff will work with City finance staff to determine actual dates of when a draft POM budget is needed. Staff will provide this information to the PMT prior to introducing Fiscal Year 2009-2010 budget amounts to the City Council. The table will consider current survey and monitoring costs provided by individual Stakeholders. The table will also include estimated cost for monitoring based on input from the Working Group. POM staff will schedule a Working Group meeting prior to the next PMT meeting.

(VI.C.) MCNEELEY stated that the dates shown on the Powerpoint (January 25th – Draft POM Budget, February 15th – Final POM Budget, and April 15th – Anticipated Rollovers) are estimated dates based on City Council hearing dates used for the last fiscal year budget. City POM Staff will revisit these dates with City finance staff to determine if there is any flexibility in these dates. POM Staff will work to schedule a PMT and Policy Committee meeting prior to January 25th.

(VI.D) GODDARD stated that the County applied for a \$125,000 TransNet Environmental Mitigation Program Grant from SANDAG. This money is proposed to be used for Cactus wren habitat restoration efforts in Salt Creek. On September 26th, the SANDAG Board of Directors authorized SANDAG staff to begin the process of entering into a contract with the County. SANDAG staff indicated that the County will receive a copy of the contract within 3-4 weeks.

WALLAR asked if the current POM fiscal year budget has money allotted to support the Cactus wren habitat restoration effort in Salt Creek via dollar match or staff time.

MCNEELEY stated that this was discussed at the last Working Group meeting. Staff will need to look at the budget and determine expenditures to

date to determine if there is extra money that can allocated towards the effort in Salt Creek. POM Staff will discuss this item at the next Working Group meeting. City staff recommends that POM Staff discuss the reallocation of budget funds and any tasks that do not have a line item in the budget with the PMT and Policy Committee at their next meetings.

GODDARD stated that there is a line item in the Fiscal Year 2008-2009 budget totaling \$100,000 for expanded/enhanced biological surveys or active management.

MCNEELEY stated that that line item was included based on an understanding that County and City staff were not in agreement on where CFD funds could be used. This item should be discussed and revisited at the next PMT meeting.

7. Proposed Policy Committee Agenda

(VII.) GODDARD stated that the proposed Policy Committee Agenda is included as a handout. The next Policy Committee is scheduled for Thursday, November 20th in the County Administrative Center, Tower 7 from 2-5pm. GODDARD asked for clarification as to where the PMT preferred the future infrastructure item to be placed on the agenda.

TULLOCH stated that the agenda currently has future infrastructure listed under Status Report and Policy Decision Issues. TULLOCH recommended that the item be placed under Policy Decision Issues.

WALLAR agreed.

8. Next PMT Meeting

(VIII.) GODDARD stated that the next PMT meeting has not been scheduled. POM Staff will work to schedule upcoming POM meetings. As Interim City Manager, POM Staff will continue to work with TULLOCH'S calendar to schedule PMT meetings. Staff understands that Deputy Mayor Rindone will be termed out and a new City POM Policy Committee member will be assigned.

WALLAR stated that before staff can introduce a Fiscal Year 2009-2010 budget to the Policy Committee, the PMT will need to review the budget and the 5-year budget forecast. It is going to be imperative that the PMT have that information and to schedule the PMT and Policy Committee meetings before a CFD 97-2 levy amount is introduced to the City Council.

BAHL stated that the PMT will likely need to meet in December so that the Policy Committee is able to meet in January or early February.

MCNEELEY stated that City staff will work immediately with City finance staff to determine the flexibility in budget deadlines.

WALLAR requested that the PMT be provided the budget and 5-year budget forecast at least 2 weeks before the scheduled PMT meeting.

9. Adjournment

(IX.) Motion to adjourn by TULLOCH at 3:52pm.

Motion seconded by WALLAR.

Motion carried.

ATTACHMENT A

MEETING SIGN-IN SHEET	
Project: Otay Ranch Preserve Owner/Manager (POM) Preserve Management Team Meeting	Meeting Date/Time: October 29, 2008, 2:00-4:00 pm
Place/Room: County Administration Center, Rooms 302/303, 1600 Pacific Highway, San Diego, CA 92101	

Name	Organization	Phone	E-Mail
Cheryl Goodland	COSD - DPR	(858) 966-1374	cheryl.goodland@sdcounty.ca.gov
WAnn Carmichael	COSD - DPR	858 694-3739	leAnn.Carmichael@sdcounty.ca.gov
Larry Duke	COSD - DPR	858 966-1363	Larry.Duke@sdcounty.ca.gov
Amy Partosan	City of C.V.	407-3599	apartosan@ci.chula-vista.ca.us
Tessa Quicho	"	691-5258	TQuicho@ci.chula-vista.ca.us
Jill Terp	USFWS - SONWR	619 4689245	jill-terp@fws.gov
Tom Tomlinson	McMillin	619 774-1304	TTomlinson@McMillin.com
Rikki Schroeder	RMA & MSH:llm	(760) 741-7462	rikki@mac3156e sbglobal.net
CURT NORLAND	OLC	760 918 8200	CNORLAND@HFC-CA.COM
Sean Kilbenny	ORC	619-234-4050	skilbenny@otayranch.ca
Kim Kilbenny	ORC	"	kim@otayranch.ca
Reenie Hunter	ORC	"	rhunter@otayranch.ca
Rob Cameron	ORC	"	rcameron@otayranch.ca
Justin Craig	McMillin	619-774-1323	jcraig@mcmillin.com

**Future Preserve Owner/Manager Alternatives for the
Otay Ranch Preserve**

January 23, 2009

OTAY RANCH PRESERVE OWNER MANAGER (POM) STAFF RECOMMENDATION:

Staff recommends that the Preserve Management Team (PMT) support the recommendation to the Policy Committee to direct POM Staff to:

- 1) Meet with the Wildlife Agencies, both regulatory and land management divisions, to obtain their feedback on the POM Alternative descriptions, pros/strengths, and cons/risks of each alternative listed below;
- 2) Outline implementation steps needed to execute each alternative;
- 3) Draft estimated timelines to execute each alternative; and
- 4) Discuss the outcomes for the items listed above with the PMT and Policy Committee at their next regularly scheduled meetings.

INTRODUCTION:

In 1996 the County of San Diego (County) and the City of Chula Vista (City) designated themselves as the Otay Ranch POM. The County and the City executed a Joint Powers Agreement (JPA) (Attachment A) to delineate their respective roles and responsibilities. The role of the POM is discussed in detail in Phase 2 Resource Management Plan (RMP), Section II.A (Attachment B). Generally the POM is tasked to protect resources, monitor and manage preserve lands; participate in necessary enforcement activities; develop educational facilities and interpretive programs; and implement and/or coordinate and accommodate research programs.

As stated in the JPA and Phase 2 RMP, the JPA is to be reviewed every 5 years. At the last PMT and Policy Committee meetings, the PMT and the Policy Committee directed POM staff to review the JPA and explore future POM alternatives and the pros/strengths and cons/risks of each. POM staff has provided the following future POM alternatives for the PMT and Policy Committee's consideration:

- Existing POM Structure
- U.S. Fish and Wildlife Services (USFWS) manage lands east of Otay Lakes/Determine appropriate POM for remainder of conveyed Preserve lands
- Third Party POM
- Jurisdictional POMs:
 - o Option 1: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land within their respective jurisdiction.
 - o Option 2: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land associated with a development project within their respective jurisdiction.

Implementation of an alternative POM may require amending the JPA and Phase 2 RMP. Amendment to the JPA and Phase 2 RMP requires County Board of Supervisor and Chula Vista City Council action.

BACKGROUND:

Existing POM:

After the County and the City conducted interviews for an Otay Ranch POM in January 1995, the County and the City jointly concluded that the role of the POM needed to be better defined and that the cost of operating the preserve needed to be more precisely calculated. It was further concluded that none of the candidates, acting alone, demonstrated the range of skills and experience necessary to permanently perform the POM function. In response, the County and the City agreed to select themselves as POM until greater information is known about the scope and nature of the preserve. The allocation of POM responsibilities was jointly prepared by the County and the City and is generally allocated according to the following broad classifications:

- Resource Protection, Monitoring and Management - County
- Environmental Education - City
- Research - City
- Recreation - City
- Law Enforcement - Shared responsibility based on jurisdiction

To date, all development projects have occurred within the City's jurisdiction. Therefore funding of the management and monitoring, including administrative costs, of conveyed lands have been collected through the City's established community facilities district for the Otay Ranch Preserve, CFD 97-2. As development projects are built within the County's jurisdiction, each project will be conditioned to establish a community facility district or similar funding mechanism to contribute its fair share in funding required RMP tasks.

Since the County is tasked with resource protection, monitoring and management of the preserve, the County invoices the City for administrative, operational, and monitoring costs.

U.S. Fish and Wildlife Services (USFWS) manage lands east of Otay Lakes/Determine appropriate POM for remainder of conveyed Preserve lands

As the Otay Ranch General Development Plan/Subregional Plan (GDP/SRP) was being processed, agreements were being established between the County, the City, developers and the Wildlife Agencies. In 1996, the U.S. Fish and Wildlife Services (USFWS) agreed that all preserve lands east of Otay Lakes and within the National Wildlife Refuge boundary will be transferred directly to USFWS. USFWS will be relieved of any and all RMP obligations associated with the transferred lands. This agreement is documented in what is commonly referred to as the "Baldwin Agreement" (Attachment C) and was incorporated into the County's South County MSCP Subarea Plan adopted by the County's Board of Supervisors. Preserve lands east of Otay Lakes and within National Wildlife Refuge boundaries total approximately 6,200 acres of which approximately 1,100 acres are currently owned and/or being managed by USFWS or the California Department of Fish and Game.

As agreed to by USFWS, funding for the management and monitoring of the transferred lands will be at no cost to Otay Ranch. The remainder of the preserve lands not transferred to USFWS will remain the responsibility of private property owners until conveyed to a POM and will be managed pursuant to the RMP. The PMT and Policy Committee will need to determine an appropriate POM for the remainder preserve lands, be it the current POM or one of the proposed alternative POMs.

Third Party POM

The County and the City initially envisioned the preserve to be managed by a Third Party POM. However in 1995 after completing interviews for a Third Party POM, the County and the City determined that that role of the POM needed to be better defined and that the cost of operating the preserve needed to be more precisely calculated. It was further concluded that none of the candidates, acting alone, demonstrated the range of skills and experience necessary to permanently perform the POM function.

Since the County and the City have been designated as the POM for the last 12 years, the role of the POM is better defined and the cost of operating, managing, and monitoring the preserve is documented in past budgets and projection of costs have been drafted for the next 5 years.

The funding source will be identical to the existing POM structure, however instead of the County invoicing the City for operational, management, and monitoring costs, the Third Party POM will invoice the City and the County (depending on if development projects have been built in the unincorporated County).

Jurisdictional POMs

Option 1: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land within their respective jurisdiction.

This option will divide the preserve based on jurisdictional lines. The County and City will be responsible for implementing RMP tasks and insuring POM responsibilities are completed for all conveyed preserve lands within their respective jurisdictions.

The funding source will be identical to the existing POM structure. The County and the City will need to come to agreement on a per acre rate for management and monitoring costs of conveyed preserve lands. The per acre rate may vary based on location and specific management and monitoring needs of the area.

Option 2: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land associated with a development project within their respective jurisdiction.

The County and City will be responsible for implementing RMP tasks and insuring POM responsibilities are completed for all conveyed preserve lands associated with a development project within their respective jurisdictions. Additionally, the conveyed lands must be managed and monitored in accordance to the jurisdiction's MSCP Subarea Plan in which the land is located.

The City will continue to fund conveyed preserve lands associated with projects within their jurisdiction through CFD97-2. As development projects are built within the County's jurisdiction, each project will be conditioned to establish a community facility district or similar funding mechanism to fund required RMP tasks on preserve lands conveyed as a part of their project.

FUTURE POM ALTERNATIVES
Pros/Strengths & Cons/Risks

	Existing POM	USFWS manages lands east of Otay Lakes within NWR boundaries/Determine appropriate POM for remaining conveyed preserve lands	Third Party POM	Jurisdictional POMs Option 1: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land within their respective jurisdiction	Jurisdictional POMs Option 2: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land associated with a development project within their respective jurisdiction
PROS/STRENGTHS	<ul style="list-style-type: none">+ County and City are currently serving as preserve land managers+ County and City have served as the POM for 12 years and have the experience and resources to manage the Preserve	<ul style="list-style-type: none">+ USFWS service will take on the management and monitoring requirements of all lands transferred to them+ USFWS will manage the lands at no cost to Otay Ranch projects+ County and City as the POM, or an alternative POM, can focus on Otay Valley Parcel and the eastern portion of the San Ysidro Parcel not located within the NWR boundary+ The existing POM, or an alternative POM, can focus more on recreation, and environmental education and research projects in the Otay Valley Parcel. These efforts can be coordinated with the Otay Valley Regional Park Joint Staff.+ It is unlikely that the County or the City will have the need to levy for the maximum assessment amounts possible	<ul style="list-style-type: none">+ One entity will be responsible for all POM tasks, i.e. resource protection, monitoring and management, environmental education, research, recreation, and enforcement activities+ Third Party POM may be able to spend more time completing on-the-ground management tasks than administrative tasks+ Because the Third Party POM may have more time for on-the-ground management tasks, they will have the technical knowledge of specific resource needs and priorities+ With the technical knowledge of specific resource needs and priorities, a Third Party POM will have better cost estimates on needed management and monitoring tasks.+ With a Third Party POM, the PMT and Policy Committee could choose to meet less often, twice a year vs. quarterly	<ul style="list-style-type: none">+County and City can serve as preserve land managers+ Eliminate the need for a joint PMT and Policy Committee+ Policy issues would be resolved by each respective jurisdiction	<ul style="list-style-type: none">+ County and City can serve as preserve land managers+ Eliminate the need for a joint PMT and Policy Committee+ Policy issues would be resolved by each respective jurisdiction+ Budget issues would be resolved by each respective jurisdiction+ County and City will be independent POMs to conveyed preserve lands associated with development projects within their respective jurisdiction
CONS/RISKS	<ul style="list-style-type: none">- Because the County and the City are joint POMs, policy decisions must be resolved jointly. Policy decisions require a unanimous vote by the Policy Committee. If a unanimous vote cannot be reached, it may require mediation, and may hold up pending conveyances until the policy issue is resolved, i.e. future infrastructure.- The PMT and Policy Committee currently meet quarterly which requires staff to focus more on administrative tasks than on-the-ground management tasks or focusing on potential environmental education/research projects.	<ul style="list-style-type: none">- Unknown timing on when the USFWS will implement the agreement- A POM will still need to be identified for remaining preserve lands	<ul style="list-style-type: none">- Limited qualified candidates- Third Party POM is similar to the existing POM structure in that there is still the need for a County and City POM Policy Committee, PMT, and Staff to review the Third Party POM monitoring reports and ensure that the RMP tasks and all POM responsibilities are being completed.- If policy issues arise, they will need to be resolved jointly by the County and the City see (see Existing POM Cons/Risks).	<ul style="list-style-type: none">- The County and the City may contract with different consultants to complete baseline and on-going monitoring. Standard survey methodologies and reporting forms should be utilized to insure consistency.- The County and City will need to agree on per acre rates for management and monitoring costs of conveyed preserve lands.- Economy of scale for the management and monitoring of the preserve will be reduced- If County or City propose amendments to any RMP policies, then these changes may require consensus between the two jurisdictions	<ul style="list-style-type: none">- The County and the City may contract with different consultants to complete baseline and on-going monitoring. Standard survey methodologies and reporting forms should be utilized to insure consistency.- Economy of scale for the management and monitoring of the preserve will be reduced- If County or City propose amendments to any RMP policies, then these changes may require consensus between the two jurisdictions

FEASIBILITY	Current issues may continue to hold up pending conveyances and the County and City will need to rely on biological consultants to conduct species-specific management and monitoring tasks.	The County and City will need to identify a POM for a smaller portion of land, which may be more manageable for a non-profit organization, or third-party POM.	Previously, the County and City could not find an acceptable candidate to serve as POM. To date, the City is unable to find an acceptable entity that is willing to accept the management and monitoring responsibilities of Chula Vista MSCP Preserve land.	In order to ensure that each jurisdiction is responsible for implementing management and monitoring obligations per their respective MSCP plans, an MOU or other agreement may be required. If consensus cannot be reached between the County, City and Wildlife Agencies on management and monitoring obligations, this option will not be feasible.	<p>In order to ensure that each jurisdiction is responsible for implementing management and monitoring obligations per their respective MSCP plans, an MOU or other agreement may be required. If consensus cannot be reached between the County, City and Wildlife Agencies on management and monitoring obligations, this option will not be feasible.</p> <p>Legal consultation is needed to determine how jointly approved documents (GDP/SRP and RMPs) will be implemented or amended if County and City are each solely responsible for policy interpretations and/or future amendments to the documents</p>
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ATTACHMENT A
Otay Ranch Joint Powers Agreement ATTACHMENT A

**JOINT POWERS AGREEMENT
BETWEEN THE
CITY OF CHULA VISTA
AND THE COUNTY OF SAN DIEGO
FOR THE PLANNING,
OPERATION AND MAINTENANCE
OF THE
OTAY RANCH OPEN SPACE PRESERVE**

THIS AGREEMENT is made and entered into as of the 6th
day of MARCH, 1996 between the City of Chula Vista and
the County of San Diego, political subdivisions of the State of
California, hereinafter referred to collectively as Public
Agencies.

WHEREAS, on October 28, 1993, the Chula Vista City Council
and the San Diego County Board of Supervisors jointly approved
the Otay Ranch General Development Plan, (General Development
Plan/Subregional Plan ("GDP/SRP"), which sets forth a plan for
the development of housing, commercial, recreational and open
space within the jurisdiction of the Public Agencies; and

WHEREAS, the GDP/SRP delineates an approximately 11,375 acre
area as the Otay Ranch Open Space Preserve, shown on Exhibit A
attached hereto and incorporated herein by reference; and

WHEREAS, the GDP/SRP provides that prior to the approval of
the first City of Chula Vista Sectional Planning Area or County
Specific Plan Area, ("SPA/Specific Plan") a Preserve
Owner/Manager ("POM") for the Otay Ranch Open Space Preserve must
be selected and retained; and

WHEREAS, the POM will be responsible for management of
resources, restoration of habitat and enforcement of open space
restrictions for the Otay Ranch Open Space Preserve once the
Preserve is formally established and title to the land conveyed;
and

WHEREAS, the Public Agencies, each of which are empowered by
law to acquire land for park and open space purposes desire to
enter into this Joint Powers Agreement to plan, design and
operate the Otay Ranch Open Space Preserve in order to qualify as
a POM and to satisfy the conditions of the GDP/SRP.

NOW, THEREFORE, the Public Agencies, in consideration of the
mutual benefits, promises and agreements set forth herein, agree
as follows:

SECTION 1. Purpose.

This Agreement is made pursuant to the provisions of Article

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1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California commencing with Section 6500, relating to joint powers common to public agencies. The Public Agencies possess the powers referred to in the above recitals. The purpose of this Agreement is to exercise such powers jointly by coordinating the planning, design and operation of the Otay Ranch Open Space Preserve.

SECTION 2. Term.

This Agreement shall become effective as of the date first written above and will continue in full force and effect for 30 years from the effective date or until terminated as indicated in SECTION 9. Agency Withdrawal or SECTION 10. Termination. The parties will review this Agreement every five (5) years. This Agreement may be extended for an additional 30 years by the written consent of the parties.

SECTION 3. Description.

The real property to be planned, designed and operated is located generally within the property depicted on Exhibit A. The property is currently in various ownerships. As tentative maps within each SPA/Specific Plan for the Otay Ranch development project are processed, land will be conveyed into the preserve according to the Conveyance Plan, attached as Exhibit B hereto.

SECTION 4. Ownership.

Title to the land which is conveyed into the Open Space Preserve will be held jointly by the Public Agencies.

SECTION 5. Policy Committee.

A Policy Committee shall be established, consisting of two (2) elected representatives, one each appointed by the governing bodies of the Public Agencies. An alternate may also be appointed by each of the Public Agencies. A quorum for the purpose of conducting business will consist of one member from each agency. In the absence of a quorum, a member may move to adjourn. The Policy Committee shall at a minimum meet annually, but may meet more often if agreed to by the members. The duties of the Policy Committee shall be to establish policies for the Preserve Management Team as set forth in SECTION 6 below, and to review all operations conducted under this Joint Powers Agreement.

SECTION 6. Preserve Management Team.

The Preserve Management Team consists of the City Manager of the City of Chula Vista and the Deputy Chief Administrative Officer of the County of San Diego. The Preserve Management Team shall meet as often as necessary to monitor the implementation of the Otay Ranch Open Space Preserve Resource Management Plan and

to assign staff necessary to carry out the duties and responsibilities set forth in Exhibit C hereto, "Duties and Responsibilities of the Otay Ranch Preserve Owner/Manager(s)".

SECTION 7. Preserve Owner/Manager Staff Committee.

The Preserve Owner/Manager Staff Committee will consist of appropriate staff members from each Public Agency to be assigned by each agency on an as needed basis. The Preserve Owner/Manager Staff Committee will be responsible for operations of the Otay Ranch Open Space Preserve as directed by the Policy Committee, and its organization and functions shall be established to conform with Exhibit D, City of Chula Vista and San Diego County Preserve Owner Manager Organization Chart, attached hereto and incorporated herein by reference.

SECTION 8. Administration.

Day-to-day administration of this Agreement, including preparation of assessment districts, operational funding, preparation of budgets, agendas, maintenance of records, minutes and meetings and conformance to other legally required processes pertaining to records, purchases, and administrative matters shall be the responsibility of the County of San Diego.

SECTION 9. Agency Withdrawal.

Either party may withdraw from participation in this Agreement upon sixty (60) days notification and consent, in writing, by the other party. Such consent shall not be unreasonably withheld. Lack of adequate funding for the Preserve maintenance and operation shall constitute reasonable grounds to withhold consent. Any contributions made by the withdrawing party toward the acquisition, development, management and preservation of the Otay Ranch Open Space Preserve shall be retained by the remaining agency. The remaining public agency shall continue to be responsible for administering the duties and responsibilities of POM.

SECTION 10. Termination.

This Joint Powers Agreement may be terminated upon the mutual agreement of the Public Agencies if a new Preserve Manager, acceptable to both parties, has been retained to perform the duties and responsibilities required of the POM.

SECTION 11. Governing Law.

This Agreement shall be governed by the laws of the State of California.

SECTION 12. Partial Invalidity.

If any provision of this Agreement is held to be invalid or

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unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect.

SECTION 13. Execution.

This Agreement may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original but all together shall constitute one and the same Agreement.

SECTION 14. Notice.

Any notices required or permitted to be given pursuant to this Agreement may be personally delivered or sent by certified mail, return receipt requested, to the following address:

CITY OF CHULA VISTA:

John Goss
City Manager
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910
Phone: (619) 691-5031

COUNTY OF SAN DIEGO:

David Janssen
Chief Administrative Officer
County of San Diego
1600 Pacific Coast Highway
San Diego, CA 92101
Phone: (619) 531-5267

SECTION 15. Entire Agreement.

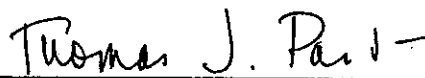
This Agreement contains the entire Agreement among the parties hereto.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their duly authorized officers, as of the date first above written.

CITY OF CHULA VISTA:

COUNTY OF SAN DIEGO:

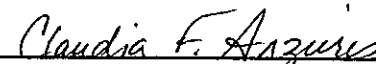

City Clerk


Clerk of the Board of Supervisors

Approved and/or authorized by the Board
of Supervisors of the County of San Diego
Date 3-6-96 Minute Order No. 6
THOMAS J. PASTUSZKA
Clerk of the Board of Supervisors
By 
Deputy Clerk

Approved as to form and legality:


City Attorney


County Counsel

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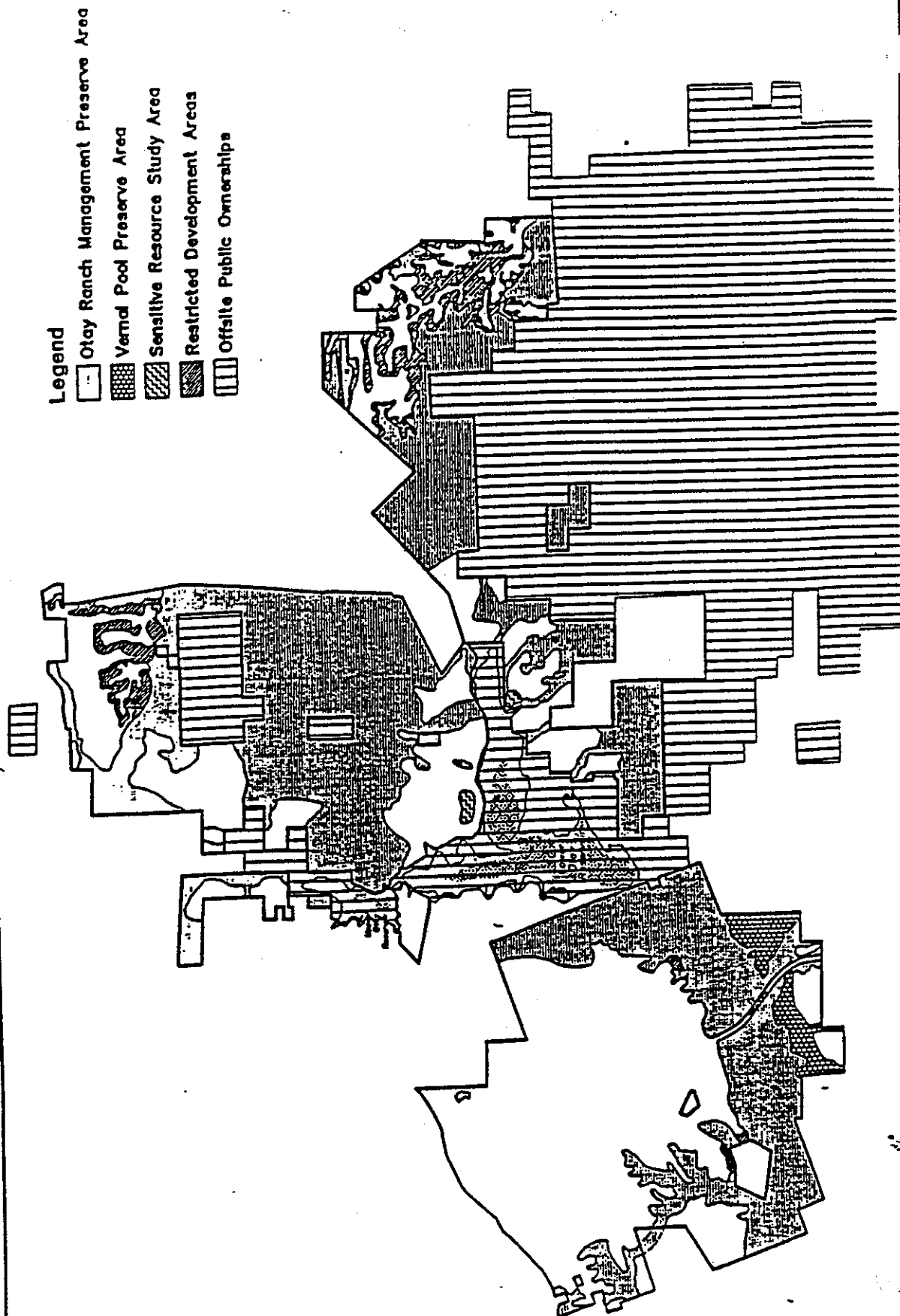
- Exhibit A - Otay Ranch Open Space Preserve
- Exhibit B - Conveyance Plan
- Exhibit C - Duties and Responsibilities of the Otay Ranch
Preserve Owner Manager(s)
- Exhibit D - Preserve Owner/Manager Organization Chart

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POM
Exhibit "A"

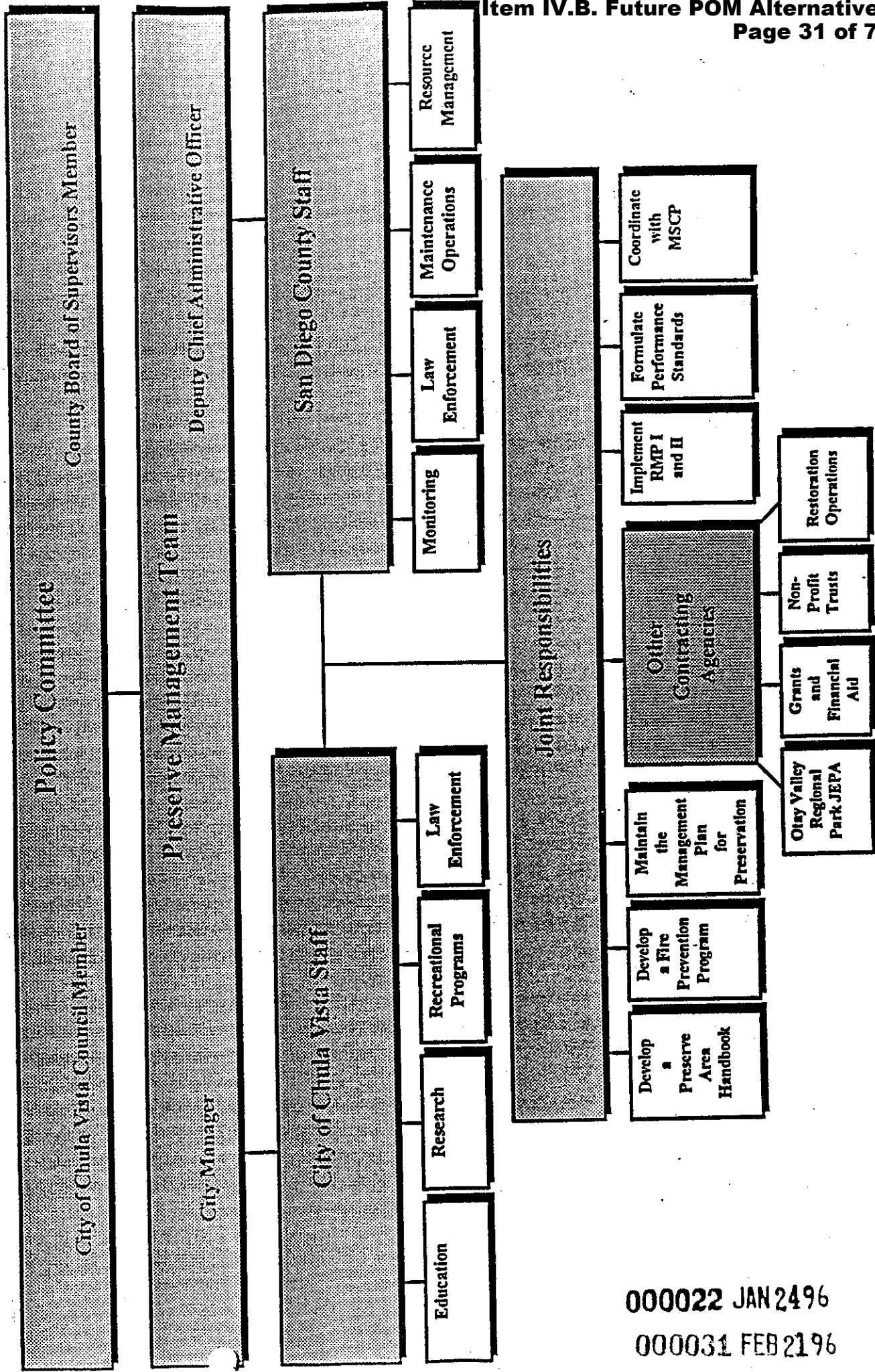
"Otay Ranch Open Space Preserve"



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City of Chula Vista and San Diego County Preserve Owner Manager Organization Chart



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POM
Exhibit "C"

Duties and Responsibilities of the Otay Ranch Preserve Owner/Manager(s)

CITY OF CHULA VISTA RESPONSIBILITIES

Education and Research

Development of educational and research facilities and interpretive programs. Implementation and/or coordination and accommodation of research programs. Provision of controlled opportunities, consistent with resource protection needs, for the public to learn about and appreciate the natural and cultural diversity of the area including:

- its biological diversity and cultural heritage;
- the inter-relationships between sensitive species and natural habitats;
- the opportunity to observe biological and cultural resources in their natural setting; and
- the importance of preservation of natural areas and understanding challenges to the survival of remaining natural ecosystems.

Provide a unique and multi-faceted living laboratory for research related to:

- habitat, paleontological and cultural resource protection and management;
- experimental approaches to enhancing and restoring degraded habitats; and
- understanding species and habitat needs and conditions that adversely affect sensitive plant and animal species.

Institutions such as the City of Chula Vista Nature Center and the Natural History Museum are non-profit agencies providing such services.

Active and Passive Recreational Programs

Development of plans and programs for the location and design of active recreational uses, overlooks and a passive trail network within the Preserve. Coordination with the Otay Valley Regional Park JEPa, or subsequent park planning entity, regarding issues associated with Otay Valley Regional Park.

Law Enforcement

Enforcement activities as necessary to control and protect the resources of the preserve within the incorporated area of the City of Chula Vista's portion of the "Otay Ranch Open Space Preserve". Development of a law enforcement program that will protect the visitor from the environment, protect the environment from the visitor and protect the visitor from other visitors. Create a uniform code of regulations for all cooperating agencies and an annual review by law enforcement and resource agencies of their appropriate roles.

SAN DIEGO COUNTY RESPONSIBILITIES

Law Enforcement

Enforcement activities as necessary to control and protect the resources of the preserve within the unincorporated portion of the County portion of the "Otay Ranch Open Space Preserve". Development of a law enforcement program that will protect the visitor from the environment, protect the environment from the visitor and protect the visitor from other visitors. Create a uniform code of regulations for all cooperating agencies and an annual review by law enforcement and resource agencies of their appropriate roles.

Maintenance Operations

Maintenance and enhancement of all resources through the prevention of further disturbance, including controlling access to the Preserve, prohibiting off-road traffic, enforcing "no trespassing" rules and curtailing activities that degrade resources, such as grazing, shooting and illegal dumping. Implementation of maintenance activities including removal of trash, litter and other debris, maintenance of trail systems, removal and control of exotic plant species (weeds) and control of cowbirds through trapping efforts. Develop a plan for the controlled burning, erosion control and replanting to enhance the natural and scenic values of the preserve. Preparation of a grazing, crop production, integrated pest, insect and disease management control or other appropriate uses if they do not result in conditions that are adverse to eventual recreational or agricultural uses. Development of a restrictive area plan which prohibits public access to sensitive wetlands, vernal pools, restoration areas and sensitive wildlife habitat.

Resource Protection and Management

Providing large, connected natural areas with varied habitats that offer refuge, food and shelter to multiple species of native plants and animals; protecting scenic, paleontological and cultural resources; and providing management tools to assure that Preserve resources are not adversely affected by urban development located adjacent to the Preserve.

Monitoring

Ensuring no reduction in habitat values and no adverse impacts to biological resources are included within the Preserve by the following:

- Monitoring the resources to identify changes in the quality and quantity of sensitive resources and habitats to assure compliance with the adopted Mitigation Monitoring Reporting Program.
- Implementation and monitoring of restoration activities, as appropriate.
- Establishing a comprehensive monitoring program for the biota of the Preserve in conjunction with the Phase II RMP.

- Developing and implementing an annual monitoring program designed to identify changes in quality and quantity of on-site biological resources including sensitive wildlife species, sensitive plant species and sensitive habitat types.

JOINT RESPONSIBILITIES OF THE CITY OF CHULA VISTA AND SAN DIEGO COUNTY

Maintain the management plan for preservation that facilitates effective, long-term management of the Preserve consistent with the goals of the Phase I and II Resource Management Plan and the "Otay Ranch Open Space Preserve".

Develop a Preserve Area Handbook which contains policies and procedures in managing and evaluating the activities of the Preserve. The handbook should include the purpose of the preserve, areas within the preserve including maps, trails etc., the preserve area organizational structure, park system hierarchy, land administration, financing, resource administration, facilities, public relations, etc.

Develop a fire prevention program to protect human life, prevent modification of park ecosystem by human-caused wildfire and prevent damage to cultural resources or physical facilities.

Coordinate with the appropriate agencies involved with the Multiple Species Conservation Program (MSCP), or other adopted subregional habitat planning programs, to assure consistency with regional conservation efforts and plans. Regional preserve management agreements may be used to ensure working relationships are established between other open space preserves. Coordination with local jurisdictions, resource agencies and adjacent ownerships.

Implement the Phase I and II Resource Management Plans. Review proposed preserve boundary adjustments, infrastructure plans. Comment on plans for land uses adjacent to the Preserve and other activities/studies.

Formulate performance standards for the City of Chula Vista and the County of San Diego, in their respective areas of responsibilities, to ensure that the "Otay Ranch Open Space Preserve" achieves the goals and objectives of the Preserve.

DUTIES/RESPONSIBILITIES: POM

- Maintenance and enhancement of all resources through the prevention of further disturbance, including controlling access to the Preserve, prohibiting off-road traffic, enforcing "no trespassing" rules, and curtailing activities that degrade resources, such as grazing, shooting, and illegal dumping;
- Monitoring of resources to identify changes in the quality and quantity of sensitive resources and habitats to assure compliance with the adopted mitigation monitoring and reporting program;
- Implementation and monitoring of restoration activities, as appropriate (it is understood that some restoration activities may be carried out by individual Otay Ranch developers in coordination with the Preserve Owner/Manager);
- Implementation of maintenance activities including removal of trash, litter, and other debris, maintenance of trail systems, removal and control of exotic plant species (weeds), and control of cowbirds through trapping efforts;
- Development of educational facilities and interpretive programs;
- Implementation and/or coordination and accommodation of research programs;
- Coordination with local jurisdictions, resource agencies, and adjacent ownerships;
- Coordination with the Otay Valley Regional Park JEPA or subsequent park planning entity, regarding issues associated with Otay Valley Regional Park;
- Enforcement activities;
- Review of RMP Amendments, Preserve boundary adjustments, infrastructure plans, plans for active recreational uses within the Preserve, plans for land uses adjacent to the Preserve and other activities/studies as identified in the RMP;
- Develop and implement a strategy that facilitates effective, long-term management of the Preserve consistent with the goal of the RMP;

- Development and implementation of management to ensure no reduction in habitat values and no adverse impacts to biological resources occur within the Preserve;
- Establish a comprehensive monitoring program for the biota of the Preserve in conjunction with the Phase 2 RMP;
- Develop and implement an annual monitoring program designed to identify changes in quality and quantity of on-site biological resources, including sensitive wildlife species, sensitive plant species, and sensitive habitat types; and
- Coordination with the MSCP, NCCP, or other adopted subregional habitat planning program to assure consistency with regional conservation efforts and plans.

The City of Chula Vista and the County of San Diego identified the following as desirable qualifications for the Preserve Owner/Manager.

- At least 5 years of demonstrated experience managing biological resources including listed species;
- At least 5 years of previous experience with law enforcement or the ability to contract with law enforcement agencies;
- At least 5 years previous experience with access control;
- Demonstrated ability to interact effectively with local and regional conservation agencies, recreational agencies and the local community;
- Prior experience in conducting or coordinating with individuals involved in ongoing scientific research;
- Demonstrated ability to coordinate continued monitoring efforts of the Preserve's biota, as shown by staff experience and existing programs;
- Cultural resource management experience;
- Demonstrated experience in long-term management of large open space areas with numerous sensitive species;
- Demonstrated ability to efficiently manage personnel and finances over a long-term;

- Demonstrated experience or ability to establish and operate environmental educational and interpretive programs;
- Demonstrated ability and willingness to cooperate with local and regional agencies and direct experience in working with governing boards and/or advisory committees representing such agencies; and
- Demonstrated ability to conduct community volunteer and community outreach programs.

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Otay Ranch

Phase 2 Resource Management Plan

II. Preserve Management, Conveyance, Funding

Preserve Land Conveyed - Forecasted by Village

	A	B	C	D	E
				A-(B+C)	D*1.118
Area	Total	LDA	Common	Total -(LDA + Common)	Conveyance
Village 1	904	0	29	874	1,039
Village 2	775	0	48	727	864
Village 3	318	0	5	314	373
Village 4	607	0	13	594	705
Village 5	493	0	26	467	555
Village 6	365	0	23	342	407
Village 7	412	0	94	318	377
Village 8	343	0	19	324	385
Village 9	364	0	20	344	409
Village 10	334	0	68	266	316
Village 11	455	0	70	385	458
PA 12 EUC	439	0	49	391	464
Village 13 (Resort)	783	0	14	770	914
Village 14 (Proctor Valley)	829	0	21	808	960
Village 15 (San Ysidro West)	800	0	13	787	934
Village 16 (Jamul)	1,117	370	2	744	884
Village 17 (San Ysidro East)	1,611	795	2	815	968
Planning Area 18a	216	0	0	216	256
Planning Area 18b	70	0	0	70	83
Planning Area 19	20	0	0	20	24
SR 125	182	0	182	0	0
Public	20	0	20	0	0
Arterials	69	0	69	0	0
TOTALS	11,524	1,165	786	9,574	11,374

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Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

A. Preserve Owner/Manager (POM) (Appendix F12.) Preserve Owner/Manager JEPA

The Otay Ranch General Development Plan/Subregional Plan and the Phase 1 Resource Management Plan contain the following policies:

Policy: Select a Preserve Owner/Manager who is acceptable to the City of Chula Vista and the County of San Diego. Advice of the U.S. Fish and Wildlife Service and the California Department of Fish and Game will be sought prior to final selection of a Preserve Owner/Manager. (GDP/SRP Page 372-373; RMP Policies 5.1, 5.2)

Policy: The Preserve Owner/Manager shall be selected prior to or concurrent with approval of the first SPA in the Phase 2 RMP. (GDP/SRP Page 372-373; RMP Policies 5.1, 5.2)

Policy: The Preserve Owner/Manager may be a local government, a public resource agency, a non-profit organization, or any other entity or entities acceptable to the landowner, City of Chula Vista and County of San Diego. (GDP/SRP Page 372-373; RMP Policies 5.1, 5.2)

Policy: The Preserve Owner/Manager may be an entity or entities working in a cooperative arrangement to fulfill the duties of the Owner/Manager. (GDP/SRP Pages 372-373; RMP Policies 5.1, 5.2).

The Preserve Owner/Manager (POM) will oversee the day-to-day and long-range activities within the Resource Preserve. The POM will take an active role in the maintenance and enhancement of biological resources, the development of educational programs, and the implementation of Phase 1 and 2 RMP policies

Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

related to management of the resource preserve. The POM will participate in the decision-making processes for all activities and amendments to the GDP or RMP or both that potentially effect the integrity of the resource preserve.

The duties and responsibilities of the POM may include, but not be limited to, the following:

- Maintenance and enhancement of all resources through the prevention of further disturbance, including controlling access to the resource preserve, prohibiting off-road traffic, enforcing "no trespassing" rules, and curtailing activities that degrade resources, such as grazing, shooting, and illegal dumping;
- Monitoring of resources to identify changes in the quality and quantity of sensitive resources and habitats to assure compliance with the adopted mitigation monitoring and reporting program;
- Implementation and monitoring of restoration activities, as appropriate (it is understood that some restoration activities may be carried out by individual Otay Ranch developers in coordination with the Preserve Owner/Manager);
- Implementation of maintenance activities including removal of trash, litter, and other debris, maintenance of trail systems, removal and control of exotic plant species (weeds), and control of cowbirds through trapping efforts;
- Development of educational facilities and interpretive programs;
- Implementation and/or coordination and accommodation of research programs;

Otay Ranch Phase 2 Resource Management Plan

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- Coordination with local jurisdictions, resource agencies, and adjacent ownerships;
- Coordination with the Otay Valley Regional Park JEP A or subsequent park planning entity, regarding issues associated with Otay Valley Regional Park;
- Enforcement activities;
- Review of RMP Amendments, Resource Preserve boundary adjustments, infrastructure plans, plans for active recreational uses within the resource preserve, plans for land uses adjacent to the resource preserve and other activities/studies as identified in the RMP;
- Develop and implement a strategy that facilitates effective, long-term management of the resource preserve consistent with the goal of the RMP;
- Development and implementation of a management program to ensure no reduction in habitat values and no adverse impacts to biological resources occur within the resource preserve;
- Establish a comprehensive monitoring program for the biota of the resource preserve in conjunction with the Phase 2 RMP;
- Develop and implement an annual monitoring program designed to identify changes in quality and quantity of on-site biological resources, including sensitive wildlife species, sensitive plant species, and sensitive habitat types; and
- Coordination with the MSCP, NCCP, or other adopted subregional habitat planning programs to assure consistency with regional conservation efforts and plans.

Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

The City of Chula Vista and the County of San Diego identified the following as desirable qualifications for the Preserve Owner/Manager.

- At least 5 years of demonstrated experience managing biological resources including listed species;
- At least 5 years of previous experience with law enforcement or the ability to contract with law enforcement agencies;
- At least 5 years previous experience with access control;
- Demonstrated ability to interact effectively with local and regional conservation agencies, recreational agencies and the local community;
- Prior experience in conducting or coordinating with individuals involved in ongoing scientific research;
- Demonstrated ability to coordinate continued monitoring efforts of the resource preserve's biota, as shown by staff experience and existing programs;
- Cultural resource management experience;
- Demonstrated experience in long-term management of large open space areas with numerous sensitive species;
- Demonstrated ability to efficiently manage personnel and finances over a long-term;
- Demonstrated experience or ability to establish and operate environmental, educational and interpretive programs;
- Demonstrated ability and willingness to cooperate with local and regional agencies and direct experience in working with

Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

governing boards and/or advisory committees representing such agencies; and

- Demonstrated ability to coordinate community volunteer and community outreach programs.

1. Background

Starting in January of 1995, the County of San Diego and the City of Chula Vista pursued a "Request for Qualification" (RFQ) process to identify a Preserve Owner/Manager. The Chula Vista City Council approved a draft RFQ on February 14, 1995. The County Board of Supervisors approved a similar RFQ on March 7, 1995. Five entities or coalition of entities responded to a joint RFQ. In May 1995, representatives from the City of Chula Vista and the County of San Diego conducted candidate interviews. The California Department of Fish and Game and U.S. Fish and Wildlife Service, the Otay Valley Regional Park Citizen Advisory Committee and representatives from the property owners participated in the interview process.

After the interviews, the City and County jointly concluded that the role of the Preserve Owner/Manager needed to be better defined and that the cost of operating the resource preserve needed to be more precisely calculated. It was further concluded that none of the candidates, acting alone, demonstrated the range of skills and experience necessary to permanently perform the POM function. Additionally, many of the candidates expressed discomfort at being asked to make a long term commitment to a 11,375 acre resource preserve without better definition of the resource preserve and attendant POM responsibilities.

Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

In response to these issues, the City and the County agreed that it is desirable to select themselves as preserve owner/manger until greater information is known about the scope and nature of the resource preserve. The allocation of POM responsibilities was jointly prepared by a City Council Ad Hoc Committee comprised of the Acting County Planning Director, the Acting County Parks Director, the Chula Vista Parks Director and the Executive Director of the Chula Vista Nature Interpretive Center.

2. POM Management Structure

The following are the elements of the Otay Ranch POM Management Structure.

- The City of Chula Vista and the County of San Diego jointly name each other as the Otay Ranch Preserve Owner/Manager (reviewed every 5 years).
- The City of Chula Vista and the County of San Diego execute a joint powers agreement to delineate their respective roles and responsibilities (Appendix 12).
- Property conveyed to the interim POM be conveyed to the City and the County with an undivided interest.
- The City of Chula Vista and County of San Diego jointly exercise responsibility and authority to review and comment on the various tasks, plans and programs identified in the RMP.
- The Board of Supervisors designates the Chief Administrative Officer to exercise the review and comment authority described above.

Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

- The Chula Vista City Council designates the Chula Vista City Manager as authorized to exercise the review and comment authority described above.
- The responsibility for the various RMP tasks be generally allocated to the City and the County according to the following broad classifications:
 - Environmental Education - City of Chula Vista
 - Research - City of Chula Vista
 - Resource Protection, Monitoring and Management - County of San Diego
 - Recreation - City of Chula Vista
 - Law Enforcement - Shared responsibility based on jurisdiction
- The City of Chula Vista and the County of San Diego would retain independent authority to contract with other parties to perform their respective allocated tasks.

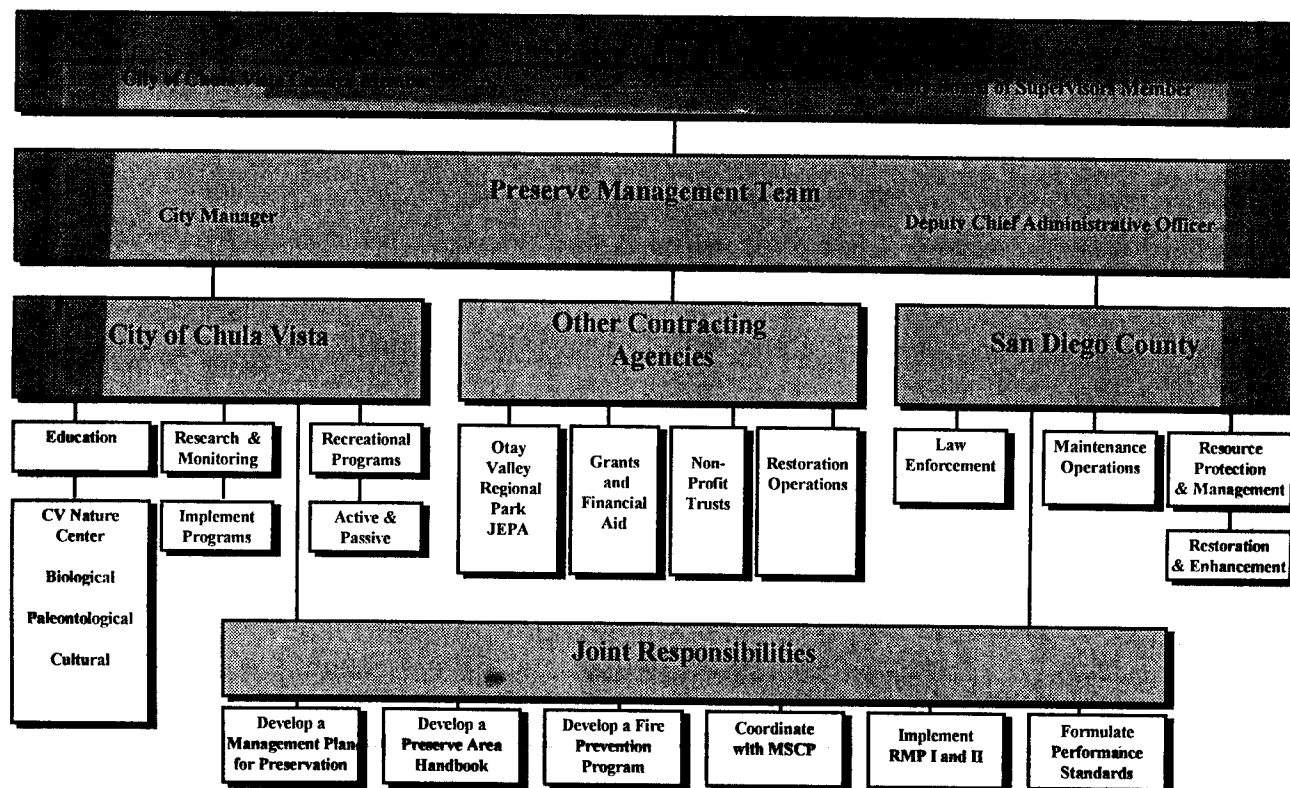
Exhibit 7 below contains an organization chart illustrating the relationships between the City of Chula Vista, the County of San Diego and the various POM functions.

Exhibit 8 below delineates and allocates the responsibilities consistent with the categories listed above, according to specific GDP/RMP identified POM tasks. The Appendix F12 contains the draft Otay Ranch Preserve Owner/Manager JEPA.

Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

Exhibit 7
POM Organization Chart



Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

Exhibit 8 Preserve Owner/Manager Tasks

GDP Identified POM Task	Environmental Education	Research	Resource Protection, Monitoring and Management	Recreation	Law Enforcement
<u>Policy 3.2</u> Restoration programs intended to mitigate for disturbance of sensitive habitats associated with development of Otay Ranch shall be funded and designed by the landowner in coordination with the Preserve Owner/Manager and the appropriate jurisdiction. Implementation of such restoration programs shall be by an appropriate entity acceptable to the Preserve Owner/Manager and the appropriate jurisdiction. (RMP, Page 82)			Coordinate Restoration with POM		
<u>Policy 3.3.</u> Restoration programs may be implemented for purposes other than compensation of impacts associated with development of Otay Ranch. Such programs shall be funded, designed and implemented by the Preserve Owner/Manager or other entity acceptable to the Preserve Owner/Manager. (RMP, Page 82)			Restoration Banking Governed by POM		
<u>Policy 5.2.</u> Standards: Responsibilities of the Preserve Owner/Manager shall include, but not be limited to, the following: Maintenance of existing high quality resources through the prevention of further disturbance, including controlling access to the preserve, prohibiting off-road traffic, enforcing "no trespassing" rules, and curtailing activities that degrade resources, such as grazing, shooting, and illegal dumping.			Prevent Degradation of Preserve Resources		
Monitoring of resources to identify changes in the quality and quantity of sensitive resources and habitats.			Monitor Resource Preserve		

Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

GDP Identified POM Task	Environmental Education	Research	Resource Protection, Monitoring and Management	Recreation	Law Enforcement
Implementation and monitoring of restoration activities, as appropriate (it is understood that some restoration activities may be carried out by individual Otay Ranch developers in coordination with the Preserve Owner/Manager).			Coordinate Restoration		
Implementation of maintenance activities including removal of trash, litter, and other debris, maintenance of trail systems, removal and control of exotic plant species (weeds), and control of cowbirds through trapping efforts.			Maintain Resource Preserve		
Development of educational facilities and nature interpretive programs.	Develop Educational Programs				
Implementation and/or accommodation of research programs.		Accommodate Research			
Coordination with local jurisdictions, resource agencies, and adjacent ownerships.	Coordinate with Resource Agencies				
Coordination with the Otay Valley Regional Park JEPa, or subsequent park planning entity, regarding issues associated with Otay Valley Regional Park.	Coordinate with JEPa				
Enforcement activities.					Provide Law Enforcement
Review of RMP Amendments, Preserve boundary adjustments, infrastructure plans, plans for active recreational uses within the Preserve, plans for land uses adjacent to the Preserve and other activities/studies as identified in the RMP. (RMP, Pages 93-94)	Review RMP Amendments				
Policy 6.1. Provide resource-related educational and interpretive programs to increase public sensitivity to, and awareness and appreciation of resources within the Preserve, consistent with the goal of the RMP.					

Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

GDP Identified POM Task	Environmental Education	Research and Monitoring	Resource Protection, Monitoring and Management	Recreation	Law Enforcement
1. Under the direction of the Preserve Owner/Manager, an interpretive center(s) shall be constructed to display and interpret the biological, paleontological, and cultural resources present on Otay Ranch.	Direct Interpretive Center				
2. Construct a native plant nursery and/or botanic garden to be used for public education of native plants and plant communities and for restoration activities.					
3. The sale of educational materials, books, and plants shall be allowed. (RMP, Page 103)					
4.	Construct Native Plant Nursery		Use Materials in Restoration		
5.	Educational Materials				
<u>Policy 6.2.</u> Standards: (1) Siting and design of active recreational uses shall be subject to review and comment by the Preserve Owner/Manager in consultation with the JEPA of the Otay Valley Regional Park and shall be consistent with plans for the Otay Valley Regional Park when adopted. (RMP, Page 103)				Consult with JEPA Regarding Recreation Design	
<u>Policy 6.3.</u> Standard: A qualified firm shall be hired to design and implement construction of a trails system through the Preserve, following review and comment by the Preserve Owner/Manager and resource agencies. (RMP, Page 104)	Construct Trail Design			Construct Trail Design	
<u>Policy 6.5.</u> Identify restricted use area within the Preserve. Standard: Public access may be restricted within and adjacent to wetlands, vernal pools, restoration areas, and sensitive wildlife habitat (e.g., during breeding season) at the discretion of the Preserve Owner/Manager. (RMP, Page 106).			Identify Restricted Use Areas		

Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

GDP Identified POM Task	Environmental Education	Research and Monitoring	Resource Protection, Monitoring and Management	Recreation	Law Enforcement
<p><u>Policy 6.6.</u> Guidelines: Infrastructure plans and their implementation shall be subject to review and comment by the appropriate jurisdictions in coordination with the Preserve Owner/Manager. (RMP, Page 107)</p>	Review Infrastructure Plans				
<p><u>Policy 6.8.</u> Ecologically necessary controlled burning may be permitted within the Preserve.</p> <p>Standard: Where and when it is deemed appropriate for the enhancement of biological resources by the Preserve Owner/Manager, and subject to review by the County of San Diego and the City of Chula Vista with advice from the resource agencies (USFWS, CDFG), controlled burning shall be conducted within the Preserve. (RMP, Page 113)</p>			Authorize Controlled Burns		
<p><u>Policy 7.1.</u> All development plans adjacent to the edge of the Preserve shall be subject to review and comment by the Preserve Owner/Manager, the City of Chula Vista, and the County of San Diego to assure consistency with resource protection objectives and policies. (RMP, Page 114)</p>	Review Edge Plans				
<p><u>Policy 8.3.</u> Construction activities associated with infrastructure necessary for implementation of an approved development plan shall be allowed as an interim activity.</p> <p>Standard: All construction activities shall take place in accordance with standards and criteria outlined in the conceptual infrastructure improvement plans as required in Policy 6. The improvement plans shall be subject to approval by the appropriate jurisdiction and review by the Preserve Owner/Manager. (RMP, Page 116)</p>	Review Facility Construction Plans				

Otay Ranch Phase 2 Resource Management Plan

PRESERVE MANAGEMENT, CONVEYANCE, FUNDING

GDP Identified POM Task	Environmental Education	Research and Monitoring	Resource Protection, Monitoring and Management	Recreation	Law Enforcement
<p><u>Policy 8.4.</u> Develop a Range Management Plan</p> <p>Standard: A Range Management Plan, which will depict the allowable interaction between grazing activity and sensitive resources, shall be developed as part of the submittal of the first SPA in the Phase 2 RMP. Under this plan, the most sensitive areas (i.e., areas that support sensitive species) shall have restricted access either by fencing or other appropriate method. The plan shall be subject to review and comment by the Preserve Owner/Manager, the City and the County. (RMP, Page 117)</p>	Review Range Management Plan				
<p><u>Policy 9.6.</u> Establish a procedure for amending the RMP.</p> <p>Standard: Following notice of public hearing, the RMP may be amended by the legislative body having jurisdiction over the use of land affected by the amendment, provided that all such amendments shall be subject to review and comment by the Preserve Owner/Manager, by the City of Chula Vista, and by the County of San Diego. (RMP, Page 119)</p>	Review RMP Amendments				
<p><u>Policy 9.8.</u> Standard: All amendments to the RMP that would reduce the size or substantially revise the location of the Preserve boundary, or that would in any way delay the conveyance of all or portions of the Preserve to the Owner/Manager, shall require written approval by both the City of Chula Vista and the County of San Diego. (RMP, Page 121)</p>	Review Changes to Preserve Boundaries				



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DEPARTMENT OF PLANNING
AND
LAND USE

November 10, 1995

Mr. Gail Kobetich
U.S. Fish and Wildlife Service
2730 Lower Avenue West
Carlsbad, CA 92007

Ms. Lari Sheehan
Assistant Chief Administrative Officer
County of San Diego
1600 Pacific Highway
San Diego, CA 92101

Mr. Ron Rempel
Department of Fish and Game
1416 9th Street
Sacramento, CA 95814

Mr. John Goss
City Manager
City of Chula Vista
276 Fourth Ave
Chula Vista, CA 91910

Dear Gentlepersons:

Enclosed is a summary of the elements of the Otay Ranch MSCP Subarea Plan agreement. I look forward to your questions or comments. The Baldwin Company does not object to public discussion of this agreement.

Sincerely,


Kim John Kilkenny
Vice President

Enclosure

KJK/cc

cc: Jerry Jamriska, Otay Ranch Project Team
Bob Leiter, City of Chula Vista
Bob Asher, County of San Diego
Ann Ewing, County of San Diego
Tom Oberbauer, County of San Diego

SOUTH COUNTY SUBAREA PLAN

The following are the elements of a proposed agreement between the City of Chula Vista, the County of San Diego, the California Fish and Game Department, the US Fish and Wildlife Agency, and the Baldwin Company concerning the South County/Otay Ranch MSCP Subarea Plan relative to Otay Ranch properties controlled by The Baldwin Company or Baldwin Company affiliates.

A. Elimination of Otay Ranch GDP/SRP Development Entitlements

The South County/Otay Ranch MSCP Subarea Plan will be prepared, and the Otay Ranch GDP/SRP Plan will be amended, to eliminate development entitlements for the following areas and to designate such areas as part of the MSCP Preserve.

1. Central Proctor Valley (Otay Ranch Village 14, See Exhibit 1)
 - a. PV1: Approximately 10 acres located west of Proctor Valley Road designated "L2" by the Otay Ranch GDP/SRP containing approximately 20 dwelling units.
 - b. PV2: Approximately 70 acres on the east side of Village 14, designated "L2" by the Otay Ranch GDP/SRP, containing approximately 35 dwelling units.
 - c. PV3: Approximately 119.2 acres of land in the southern portion of Village 14 designated by the Otay Ranch GDP/SRP as "LMV 3" and "LMV 2", containing approximately 290 dwelling units.
2. Resort Village (Village 13, See Exhibit 2)
 - a. R1: Approximately 40.5 acres of land in the eastern portion of Village 13 designated "L2" by the Otay Ranch GDP/SRP, containing approximately 81 dwelling units.
 - b. R2: Approximately 88 acres of development in the eastern portion of Village 13 designated "LMV 3" by the Otay Ranch GDP/SRP, containing approximately 264 dwelling units.
 - c. R3: Approximately 9 acres of development in the eastern portion of Village 13 designated "LMV 3" by the Otay Ranch GDP/SRP, containing approximately 27 dwelling units.
3. Southeast of the Lake (Village 15, See Exhibit 3)
 - a. SE1: Approximately 42 acres of development in the southwest portion of Village 15 designated "VL0.7" by the Otay Ranch GDP/SRP, containing approximately 16 dwelling units.

- b. SE2: Approximately 48 acres of development in the southwest portion of Village 15 designated "VL0.7 by the Otay Ranch GDP/SRP, containing approximately 17 dwelling units.

B. Areas of Development Added to the Otay Ranch GDP/SRP.

The South County/Otay Ranch MSCP Subarea Plan will be prepared, and the Otay Ranch GDP/SRP will be amended, to designate the following areas as developable and remove such areas from the Otay Ranch Preserve.

1. Poggi Canyon, (See Exhibit 4)

Land in Otay Ranch Villages One and Two, west of Paseo Ranchero (P1) will be designated developable for residential uses or for the construction of public infrastructure, (primarily Orange Avenue, related utilities and a trolley line). The expanded residential development areas within Otay Ranch ownership will equal approximately 140 acres (Village One and Village Two combined) and contain a land use designation of "LM 3", permitting 420 units. Development would also be permitted in the small Wolf Canyon finger between Village 2 and Village 3, currently omitted from development as a potential avian corridor linked to Poggi Canyon (P2). All these areas (Villages 1, 2 and 3) will be removed from the Otay Ranch Resource Preserve and excluded from the MSCP Preserve. The Poggi Canyon area east of Paseo Ranchero, between Village One and Village Two, is not part of the Otay Ranch Preserve, or of the Draft MSCP Preserve because the area contains low quality, fragmented and isolated habitats, not sustainable in the long term. Entitlements may be approved and development may proceed in that area resulting in the development of occupied habitats.

Portions of the land west of Paseo Ranchero (P1) are not within Otay Ranch ownership. These properties would be governed by this agreement and would not be included in the Subarea Preserve. Development entitlement for these properties would be determined by the City of Chula Vista, effective upon annexation.

2. Village 10 and 11 (See Exhibit 5)

- a. SC1 - Otay Valley Road. Realign Otay Valley Road/Hunte Parkway eastward to the road alignment depicted in Exhibit 5 (which roughly equates to the alignment contained in the Otay Ranch Phase 2 Progress Plan).
- b. SC2 - Village 10 and 11. Expand the development area in Villages 10 and 11, eastward to abut the newly aligned Otay Valley Road/Hunte Parkway, adding approximately 93 acres of development with a land use designation of "LMV 4.5", permitting approximately 460 units. This will cause a minor adjustment in the configuration of the adjacent community park to ensure that the area contains 25 acres of viable park land. (SC3)

3. Village Four (See Exhibit 6)

- a. Rock Mountain. Expand the development area in Village Four to include approximately 70 acres roughly located on Rock Mountain and increase the permissible number of dwelling units within Village Four by 350 units (the location of new units will be determined by the land use jurisdiction through the GDP/SRP amendment process).

4. Village Nine (See Exhibit 7)

- a. South of Otay Valley Road. Add approximately 10 acres in three new development areas to Village Nine south of Otay Valley Road connecting the existing four development "blobs". The land use jurisdiction may reallocate Village Nine dwelling units to the area south of Otay Valley Road.

C Other Considerations

1. City of Chula Vista and the County of San Diego will decrease densities within the Otay Ranch transit village cores from an average of 18 dwelling units per acre to 14.5 dwelling units per acre, resulting in a decrease of 1,057 units (Villages 1, 5, 6 and 8).
2. Draft the MSCP Subarea Plan and amend the Otay Ranch GDP/SRP and related documents to eliminate coastal sage scrub and maritime succulent scrub mitigation requirements for restoration.
3. California Department of Fish and Game agrees to approve the establishment of a Habitat Maintenance District to fund the Otay Ranch Resource Preserve pursuant to the provisions of the Habitat Maintenance District Act.
4. The parties agree to support the establishment of a federal wildlife refuge for the designated Otay Ranch open space areas east of the Otay Reservoir. Upon the establishment of such a refuge, the Fish and Wildlife Agency will be designated the Otay Ranch Preserve Owner/Manager for those portions of the Otay Ranch Preserve that lie within the refuge. The City and the County will thereafter require that Otay Ranch preserve land be conveyed to the Wildlife Refuge, consistent with the provisions of the Otay Ranch GDP/SRP, RMP and Preserve Conveyance Plan. Land conveyed to the Wildlife Refuge shall be the maintenance responsibility of the Fish and Wildlife Agency or its designee, without financial assistance from assessment districts or other financing or exaction mechanisms imposed by the City of Chula Vista or the County of San Diego.
5. The parties agree that the initial Otay Ranch Preserve Financing Plan program will be established to generate sufficient revenues to maintain the entire Otay Ranch Preserve without the creation a Wildlife Refuge. However, if a

Wildlife Refuge assumes maintenance responsibility for preserve land, the first priority for revenues diverted from maintenance of refuge land shall be for Otay Ranch Preserve Owner/Manager tasks within the western portions of the Preserve, which were not initially funded through the Phase 2 RMP finance mechanism (specifically the establishment and maintenance of a Nature Interpretive Center and research and education programs associated with the Nature Interpretive Center and the Otay Valley Regional Park).

6. The Sensitive Resource Study (SRS) area contained within the Otay Ranch Resort Village (Village 13) shall be removed from the Otay Ranch GDP/SRP and State and Federal agencies shall not object to development of such areas pursuant to the Otay Ranch GDP/SRP/SRP.
7. The State and Federal Resource Agencies agree to issue necessary "take permits" for the development of Otay Ranch consistent with the land use entitlements contained in the Otay Ranch GDP/SRP as modified through the implementation of this agreement.

D. Implementation Process

This agreement shall be implemented through the following process:

1. Subarea Plan. The City of Chula Vista and the County of San Diego shall proceed with the development of their respective MSCP Subarea Plans which incorporate the Otay Ranch Planning Area. The Subarea Plans area shall reflect the provisions of the Otay Ranch GDP/SRP as proposed for modification by this agreement. For those areas for which it is proposed that current Otay Ranch development entitlements be eliminated (Section A above), the Subarea Plan shall provide that take permits will not be authorized. For those areas for which it is proposed that additional areas of development be authorized (Section B above), the Subarea Plan shall provide that take permits will be authorized. The Subarea Plan text shall also incorporate the provisions of "Other Considerations" as discussed in Section C above.
2. MSCP Process. The Subarea Plans shall be submitted to the City of San Diego for inclusion in the revised MSCP, including necessary environmental review.
3. SPA One. The City of Chula Vista and the County of San Diego shall continue processing the Otay Ranch SPA One application and related documents (including but not limited to the SPA One tentative map, the Chula Vista Sphere of Influence, the initial Otay Ranch annexation, the Otay Ranch Overall Design Plan and Otay Ranch Phase 2 RMP).
4. General Plan Amendment. Soon after approval of the Otay Ranch SPA One Land Plan, tentative map and the annexation of SPA One into the City of

Chula Vista, the Baldwin Company shall initiate a General Plan Amendment applications through the City of Chula Vista and the County of San Diego seeking plan amendments to implement the components outlined in A, B, and C above. It is understood that as a private applicant, the applicant shall pay full cost recovery fees for the processing of the General Plan Amendments.

E. Timing

1. All parties understand that time is of the essence, with respect to the preparation, review and action on MSCP documents and SPA One related documents (as outlined above). Implementation of the MSCP Subarea Plan agreement is a distinct and separate process from the processing of SPA One related documents. Implementation of this agreement does not require delay of the timely consideration of SPA One related applications. To the contrary, failure to proceed with SPA One related applications jeopardizes the ability of The Baldwin Company to implement the elements of this agreement.
2. Implementation of the elements of this agreement is not dependent upon resolution of outstanding MSCP issues involving Otay Ranch properties not controlled by The Baldwin Company or Baldwin Company affiliates.



Exhibit 2

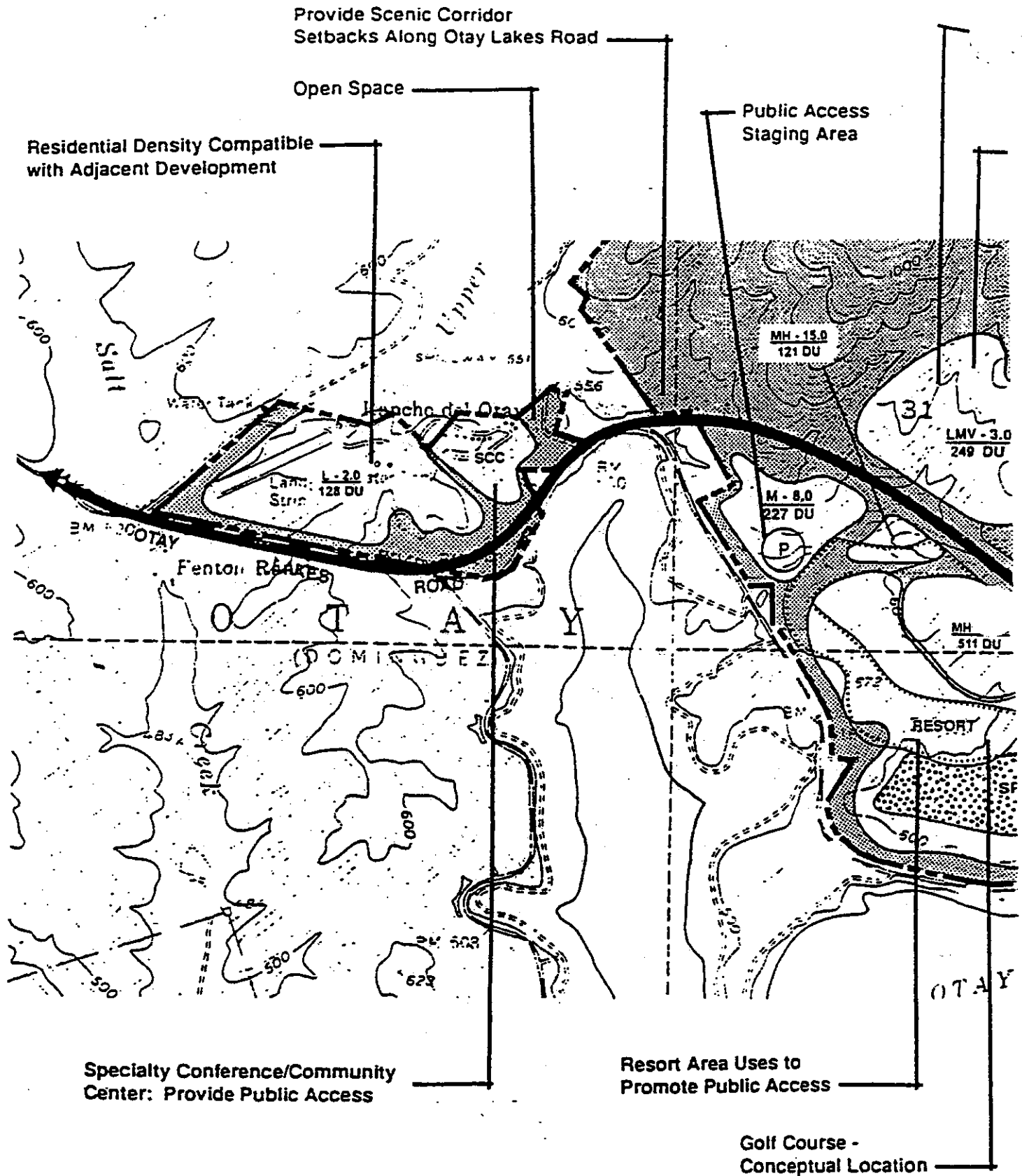


Exhibit 66 Resort Village Land Use Map

Initial
Providing Views

Utilize Landform Grading to
Transition Graded Slopes to
Natural Topography

R1

R2

R3

VILLAGE 13

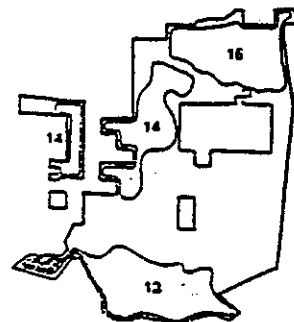
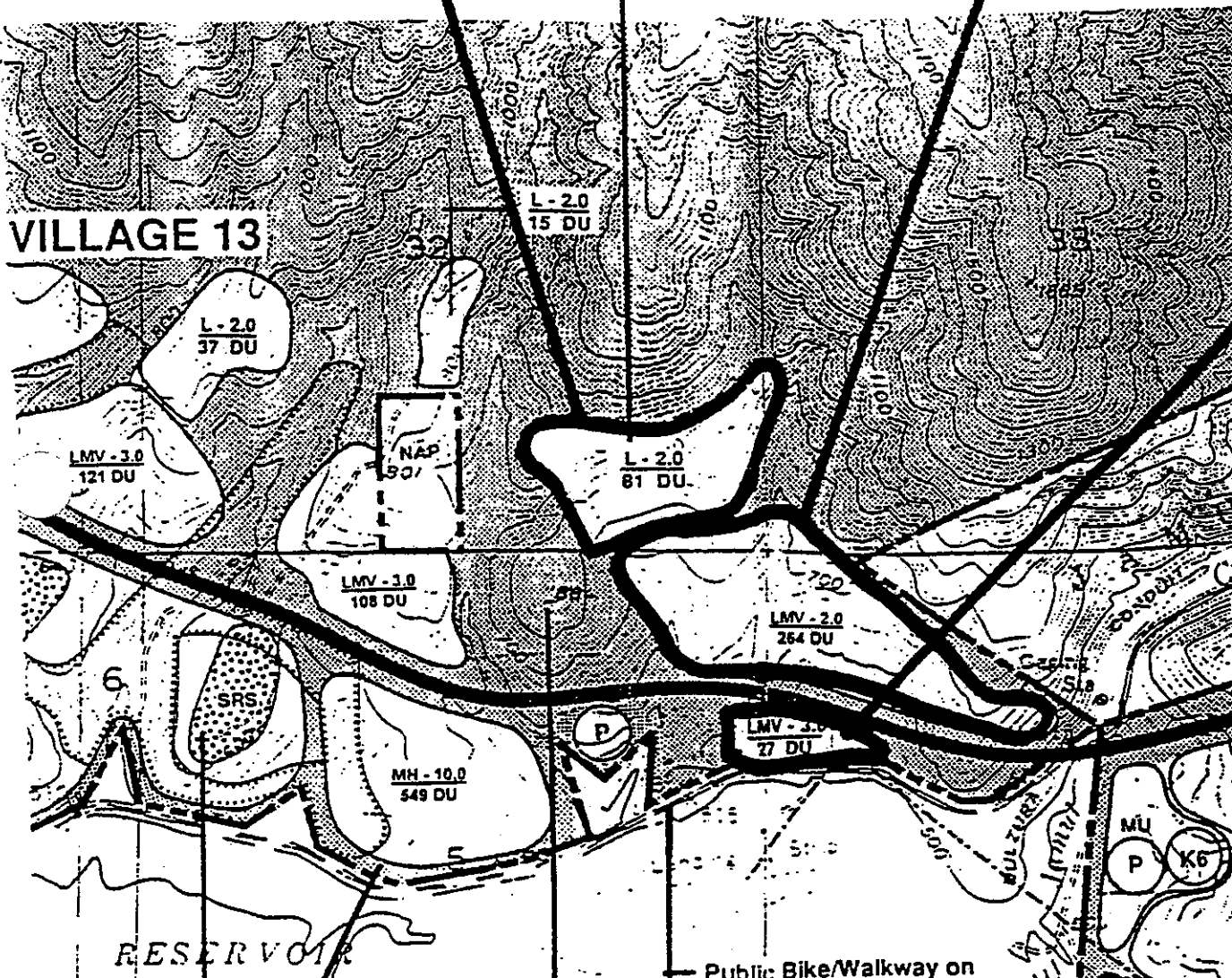


Exhibit 3

Otay Ranch GDP/SRP □ Part II

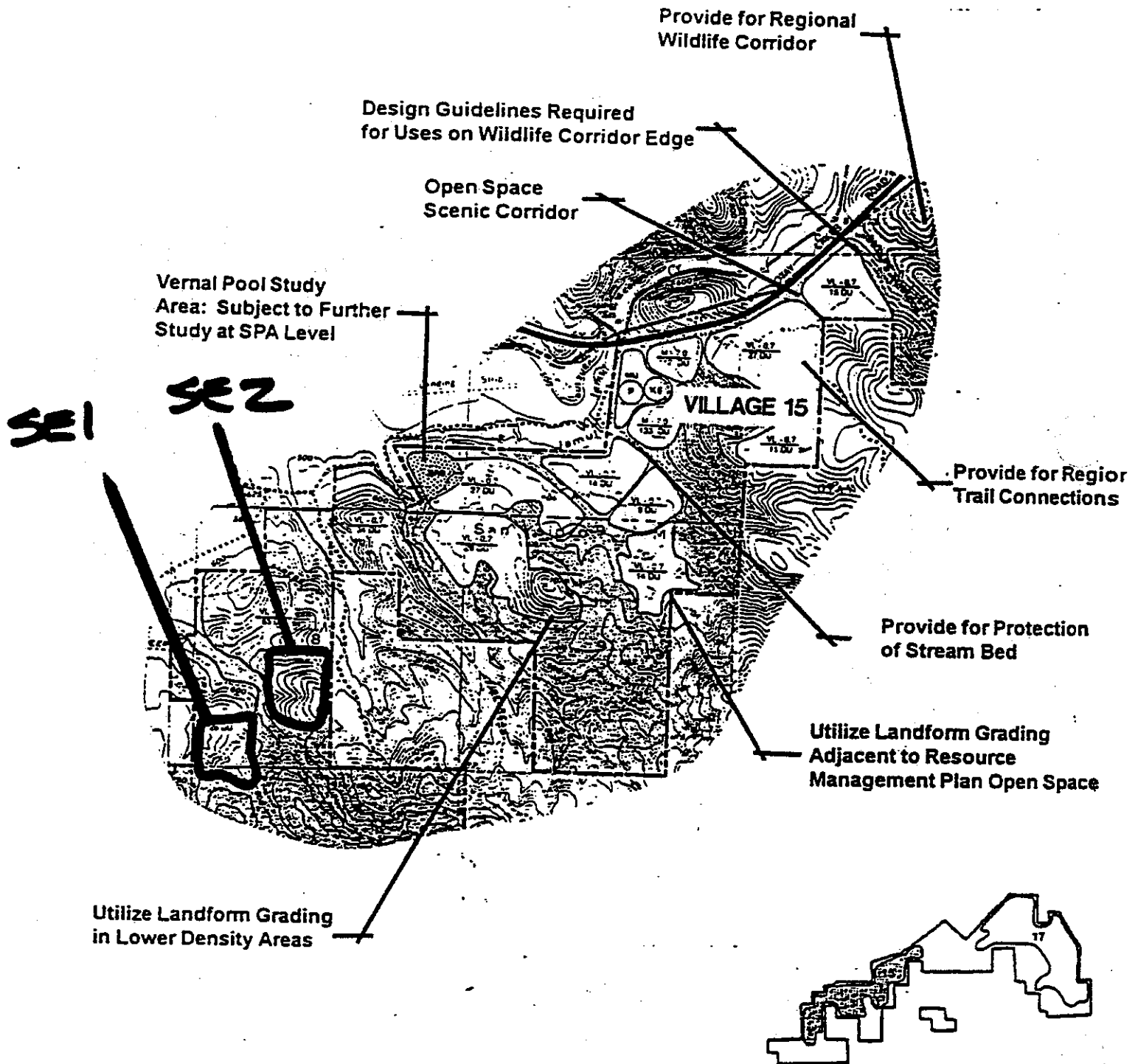
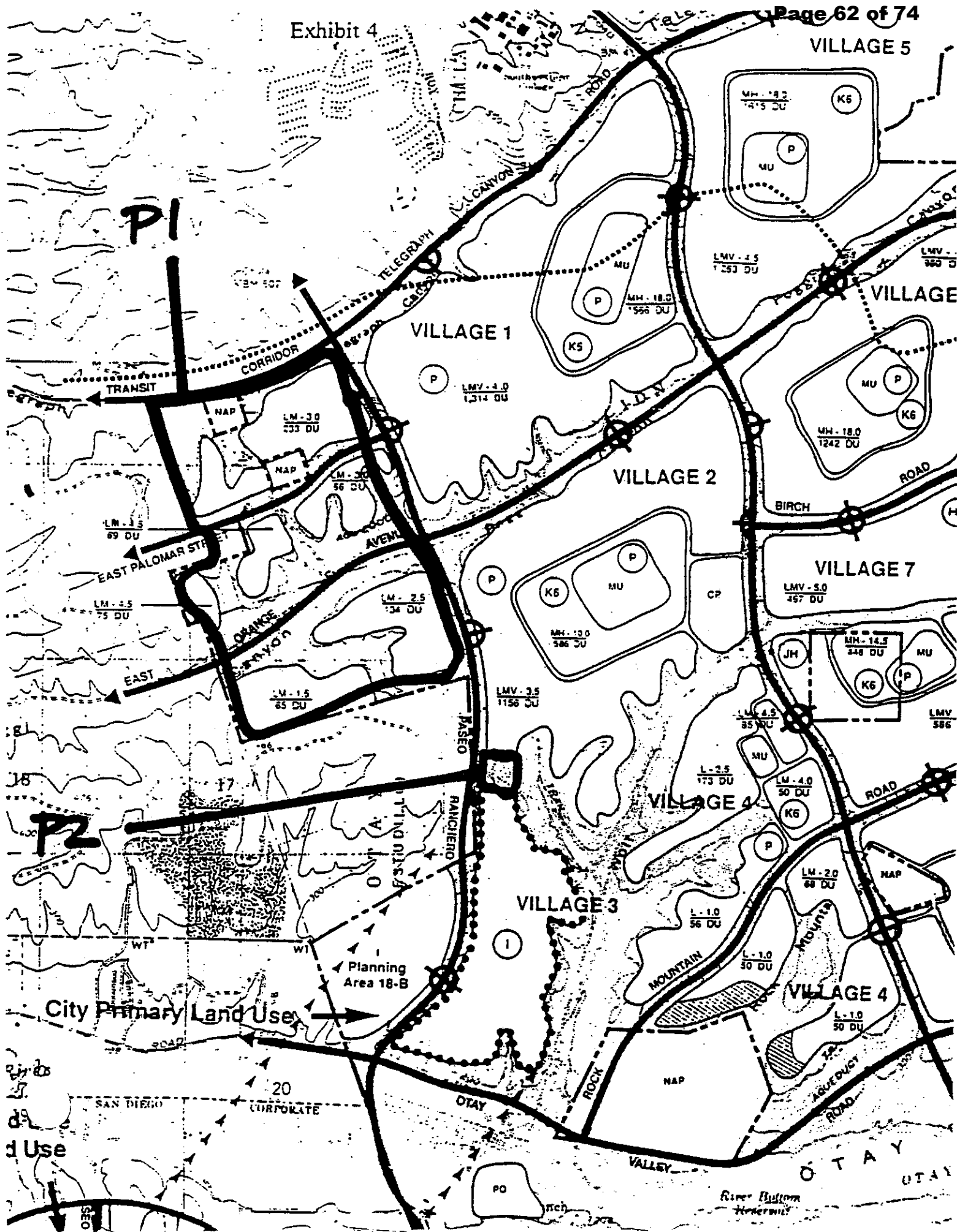
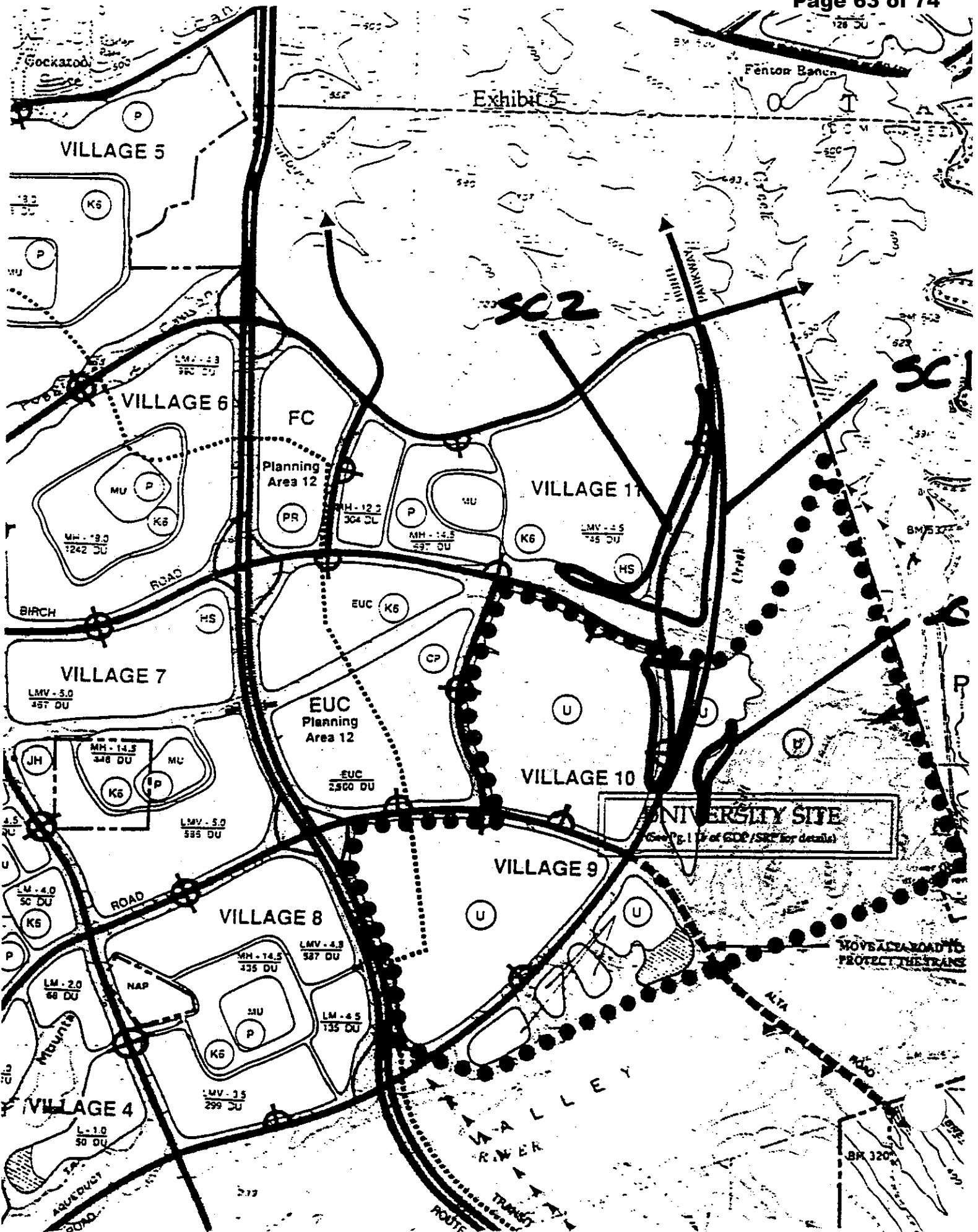


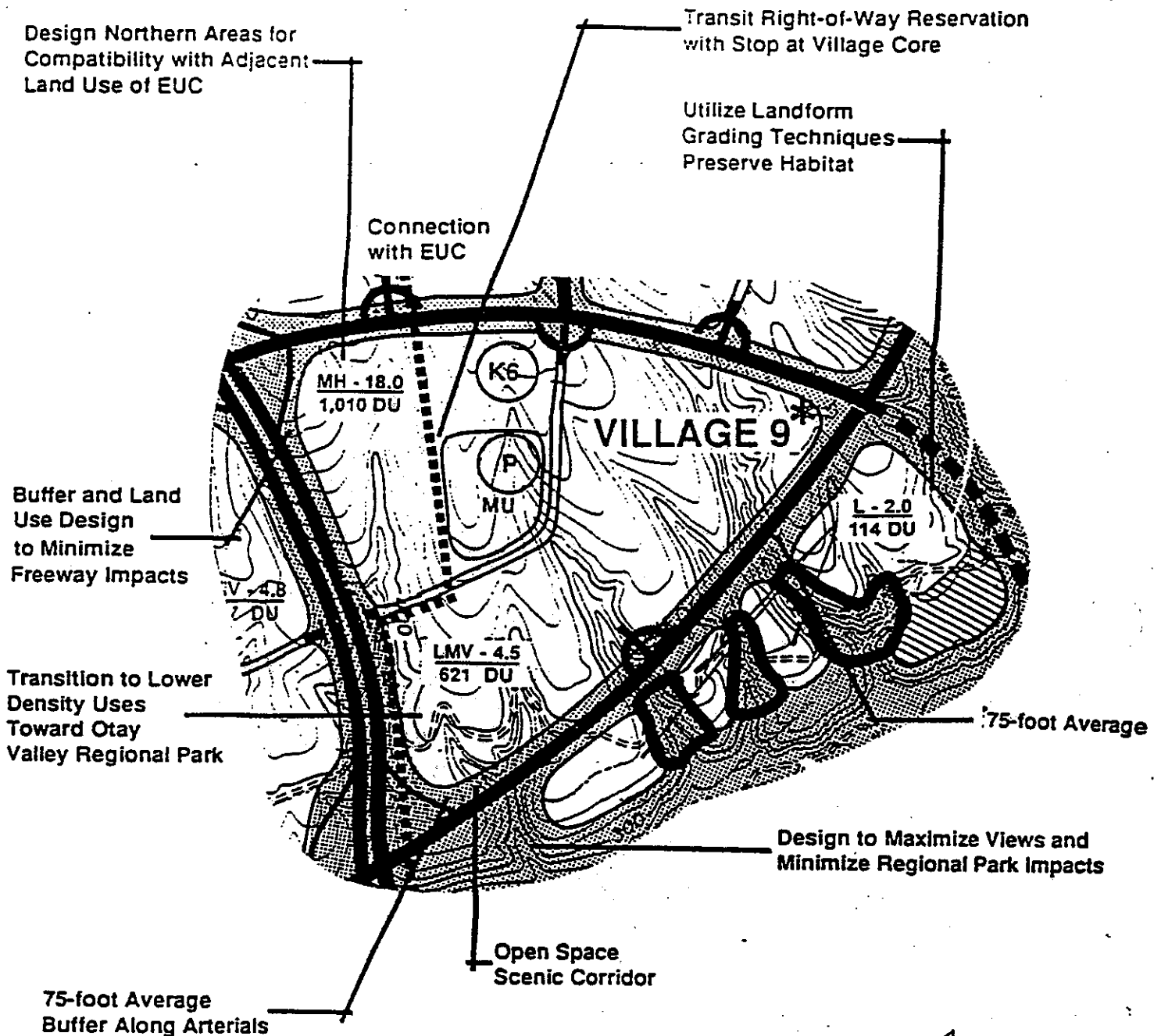
Exhibit 70 Village Fifteen Land Use Map

Exhibit 4









* Primary use of Village 9 is University. Secondary use of Village 9 is depicted above. See Otay Ranch Land Use Designations Table, Part II, Chapter 1, Section C.

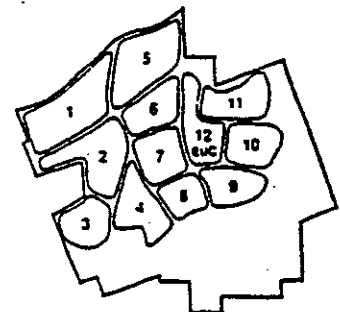


Exhibit 57 Village Nine Land Use Map - Secondary Residential Village Land Use

Attachment B



U.S. Fish & Wildlife Service
2730 Loker Avenue West
Carlsbad, CA 92008
(619) 431-9440
FAX: (619) 431-9618



CA Dept. of Fish & Game
1416 Ninth Street
PO Box 944209
Sacramento CA 94244-2090
(916) 653-9767
FAX: (916) 653-2588

February 22, 1996

Mr. Kim John Kilkenny
The Baldwin Company
11975 El Camino Real, Suite 200
San Diego, CA 92130

Re: Comments on the Baldwin Company's proposed Otay Ranch MSCP Plan Agreement dated November 10, 1995.

Dear Mr. Kilkenny:

The U.S. Fish and Wildlife Service (Service) and the California Department of Fish and Game (Department) have reviewed the proposed Otay Ranch MSCP Plan Agreement (Agreement) dated November 10, 1995. The proposed Agreement between the Department, Service (collectively the Wildlife Agencies) and the Baldwin Company describes changes in the Otay Ranch Project to improve the preserve design for biological resources.

The basic elements of the Agreement are: (1) elimination and reduction in the development areas east of Otay Lake and in Proctor Valley; (2) increases in the size of the development bubbles in portions of the Otay Ranch west of Salt Creek; (3) realignment of Otay Valley Road/Hunte Parkway; (4) elimination of the revegetation requirements for coastal sage scrub habitat; (5) assumption of land management responsibility for Otay Ranch preserve lands east of Otay Lake and in Proctor Valley by the Service; and (6) elimination of the vernal pool study area at the resort site. The Agreement correctly characterizes the development transfers as generally described in numbers 1-3 above. Our comments on the remaining items are provided below.

The Wildlife Agencies agreed to the elimination of the revegetation requirement for coastal sage scrub habitat (approximately 1,300 acres) as proposed by Baldwin, but the Agreement also included the elimination of the revegetation requirement for maritime succulent scrub (MSS) habitat. The elimination of the revegetation requirement for MSS habitat is not

Mr. Kilkenny
February 22, 1996

acceptable to the Wildlife Agencies, and the Agreement should be modified to eliminate reference to MSS habitat. To achieve the protection of the Resource Management Plan (RMP), there must be no net loss of MSS habitat through a combination of preservation and restoration. Based upon the project reconfiguration and potential changes in impacts to MSS, the percent of MSS preserved on-site and the acreage to be restored must be recalculated to meet the RMP goals.

The Agreement should specify that the Service (or at Service's designation, the Department or the Bureau of Land Management) will be the recipient of all preserve lands east of Otay Lake and in Proctor Valley and that the Service will manage the transferred lands for their open space and wildlife values at no cost to the Otay Ranch project. Any rehabilitation (of transferred lands) required pursuant to the RMP would require Otay Ranch project funding. All lands transferred to the Service would be managed in accordance with the National Wildlife Refuge System Administrative Act of 1966 (Refuge Act). The Refuge Act provides for appropriate recreational uses on refuge lands. Prior to the transfer of any parcel(s) to the Service, all leases (including cattle grazing leases), annual use licenses, annual rental Agreements, etc. must be terminated by the landowner.

The revised Conveyance Plan would specify that all preserve lands east of Otay Lake, in Proctor Valley, and otherwise within the final National Wildlife Refuge planning boundary would be directly transferred to the Service. All lands conveyed to the Service must meet the Department of Justice standards for title. Additionally, the revised Conveyance Plan would specify that the Service shall be relieved of any and all RMP obligations associated with transferred lands. Upon finalization of the Agreement, the Conveyance Plan would have to be modified to reflect the changes. The management of preserve lands not transferred to the Service would remain the responsibility of Baldwin or the Preserve Owner Manager and would be managed pursuant to the RMP.

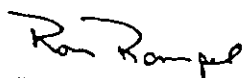
The elimination of the vernal pool study area within the resort site (Village 13) is acceptable to the Wildlife agencies, however, any impacts to the vernal pools must be addressed separately from this agreement through section 404 of the Clean Water Act.

The Department conceptually agrees that it will approve the establishment of a Habitat Maintenance District for the Otay Ranch consistent with the Otay Ranch GDP/SRP, RMP, and as modified by the Agreement. Final Department approval of a Habitat Maintenance District could not occur until all outstanding issues with the RMP and Conveyance Plan have been resolved, the specifics of the Habitat Maintenance District have been reviewed by the Department, and the South County and Chula Vista MSCP subarea plans have been approved by the Wildlife Agencies. Section C.3 should be revised appropriately.

Mr. Kilkenny
February 22, 1996

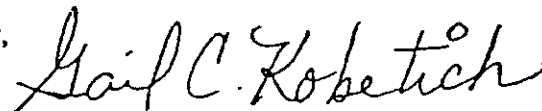
Based on the above understandings, the Wildlife Agencies will process the application for the necessary "take permits" for the development of the Otay Ranch consistent with the land-use entitlements contained in the Otay Ranch GDP/SRP and as modified by the Agreement. State and Federal permits for the Otay Ranch would be included in any approval of the County's MSCP South County Subarea Plan and the City of Chula Vista's MSCP Subarea Plan. The Wildlife Agencies anticipate that other outstanding issues associated with these plans, the conveyance plan, and the RMP will be resolved by late spring or early summer of this year. The State and Federal take authorizations would be issued consistent with the State and Federal Endangered Species Act, the NCCP Act, and following the required public noticing and National Environmental Policy Act review.

We look forward to finalizing the Agreement as soon as possible and suggest we set a target date for completion of the Agreement by March 30, 1996. If you have any questions regarding this letter, please contact Gail Kobetich at (619) 431-9440 or Ron Rempel at (916) 654-9980.



Ron Rempel
NCCP Program Manager
California Department of Fish and Game

Sincerely,



Gail C. Kobetich
Field Supervisor
U.S. Fish and Wildlife Service

Estimated POM Budget FY 08-09

Task	Projected Expenditures
Administration	
CFD Consultant	\$18,000
City Staff/County Staff Time	
City Staff	
Environmental Manager	\$20,800
Engineering	\$15,000
Counsel	\$5,000
County Staff	
DPR Staff	\$52,456
Counsel	\$4,496
General Services	\$2,748
Administration Total	\$118,500
Preserve Operation and Maintenance	
County Seasonal Park Attendant ¹	\$36,000
Preserve Equipment and Improvements	
Fence Maintenance	\$3,000
Minor Equipment, i.e. Hand/Power Tools	\$5,000
Signs	\$3,000
Preserve Operation and Maintenance Total	\$47,000
Resource Monitoring Program	
Biological Resources: Expanded/Enhanced Baseline Survey OR Active Management ²	\$100,000
Biological Resources: On-Going Surveys ³	\$65,000
Resource Monitoring Program Total	\$165,000
SUB TOTAL FY08-09 (Admin, Maint, and Monitoring)	\$330,500
ONE-TIME COSTS FOR BASELINE SURVEYS IF ADDITIONAL LANDS ARE CONVEYED TO THE POM IN FY08-09⁴	
Baseline Survey ⁵	\$175,000
TOTAL IF ADDITIONAL LANDS ARE CONVEYED TO THE POM IN FY08-09	\$505,500
<i>Biological Resource Baseline Surveys not completed in FY 07-08 (funding from levy of FY07-08, \$50k paid in FY07-08)⁶</i>	\$60,000
GRAND TOTAL	\$565,500
ESTIMATED BUDGET FOR FY08-09	\$565,500

Note: Line items listed in blue denote one-time costs

¹Cost estimate is for one Seasonal Park Attendant only. Expect to increase as additional land is conveyed to the POM.

²The Expanded/Enhanced Baseline Survey OR Active Management will be conducted on land conveyed to the POM consisting of the 517.42 acre property conveyed to the POM by McMillin Companies, the 339 acres deeded to the City per the University Agreement, and the 437 acres also deeded to the City per the Conveyance Settlement Agreement – totaling 1,293.42 acres.

\$30,000 (30%) of the consultant contract will be funded from the FY08-09 budget. The balance of \$70,000 (70%) will be marked in the FY09-10 budget.

³The On-going Biological Surveys will be conducted on land conveyed to the POM consisting of the 517.42 acre property conveyed to the POM by McMillin Companies, the 339 acres deeded to the City per the University Agreement, and the 437 acres also deeded to the City per the Conveyance Settlement Agreement – totaling 1,293.42 acres.

\$19,500 (30%) of the consultant contract will be funded from the FY08-09 budget. The balance of \$45,500 (70%) will be marked in the FY09-10 budget.

The cost for On-going Biological Surveys is currently calculated at \$50/acre.

⁴Baseline surveys are required on all lands conveyed to the POM. The purpose of baseline surveys is to collect data and information about the present status of biological and cultural resources on the conveyed lands. The survey results are required in order to set realistic targets, measure change, and make comparisons.

The budget proposed under the ONE-TIME COSTS FOR BASELINE SURVEYS IF ADDITIONAL LANDS ARE CONVEYED TO THE POM IN FY08-09 includes lands that are conveyed to the POM by the end of the 2008 calendar year. If lands are conveyed to the POM within FY08-09 but after the 2008 calendar year, the proposed line items under ONE-TIME COSTS FOR BASELINE SURVEYS IF ADDITIONAL LANDS ARE CONVEYED TO THE POM IN FY08-09 will be budgeted for the following FY. Rationale: In order for baseline survey encumbrances to be included for FY08-09, all of the following must occur: 1) Contract for the baseline surveys must be signed no later than 01/3, 2) the draft survey reports must be submitted to POM staff no later than 06/01, 3) POM staff must approve the draft survey report no later than 06/15, 4) Charges must be invoiced no later than 06/21.

⁵If additional lands are conveyed to the POM before the end of the 2008 calendar year, \$52,500 (30%) of the consultant contract for baseline surveys will be funded from the FY08-09 budget. The balance of \$122,500 (70%) will be marked in the FY09-10 budget.

⁶This line item is for accounting purposes only and will not affect the FY08-09 assessment total or Reserve fund.

Estimated POM Budget FY 09-10

Task	Projected Expenditures
Administration	
CFD Consultant	\$18,540
City/County Staff Time	
City Staff	
Environmental Manager	\$21,424
Engineering	\$15,450
Counsel	\$5,150
County Staff	
DPR Staff	\$58,000
Counsel	\$4,631
General Services	\$2,830
Administration Total	\$126,025
Preserve Operation and Maintenance	
Park Ranger ¹	\$74,000
Preserve Equipment and Improvements	
Fence Maintenance	\$1,200
Minor Equipment, i.e. Hand/Power Tools	\$2,540
Preserve Operation and Maintenance Total	\$77,740
Resource Monitoring Program	
Baseline Surveys ²	\$202,500
On-Going Surveys ³	\$65,000
Resource Monitoring Program Total	\$267,500
TOTAL FY09-10 (Admin, Maint, and Monitoring)	\$471,265
Carry forward from FY07/08 Resource Monitoring Program ⁴	\$60,000
Carry forward from FY08/09 Resource Monitoring Program ⁵	\$340,000
GRAND TOTAL FY09-10 (Including Carry Forward)	\$871,265

Note: Line items listed in blue denote one-time costs

¹Seasonal Park Attendant position is proposed to be converted to a Park Ranger position for FY09-10. If the POM does not receive an additional 700 acres by the middle of FY09-10, the Seasonal Park Attendant position will not be converted and the remaining funds may be reallocated to additional management or monitoring tasks (as-needed).

²Baseline surveys are required on all lands conveyed to the POM. The purpose of baseline surveys is to collect data and information about the present status of biological and cultural resources on the conveyed lands. The survey results are required in order to set realistic targets, measure change, and make comparisons.

For FY09-10 it is anticipated that an additional 900 acres will be conveyed by the end of the 2009 calendar year. The cost for Baseline Surveys is currently calculated at \$225/acre.

³The On-going Biological Surveys will be conducted on land conveyed to the POM – totaling 1,293.42 acres.

The cost for On-going Biological Surveys and Adaptive Management of these lands is currently calculated at \$50/acre.

⁴This line item is for accounting purposes only and will not affect the FY09-10 assessment total or Reserve fund. Monies for this line item was levied for in FY007-08. This money is encumbered in a contract with Dudek to complete baseline surveys on ~1,300 acres of POM managed lands.

⁵This line item is for accounting purposes only and will not affect the FY09-10 assessment total or Reserve fund. Monies for this line item was levied for in FY08-09. This money may be encumbered in a contract to complete the following:

1) \$ 10,000 - Survey of an additional 286 acres of suitable habitat for the CA gnatcatcher on POM managed

lands

2) \$ 15,000 - Spring floral surveys on POM managed lands

3) \$ 56,000 - Quino surveys on POM managed lands

4) \$ 8,200 - 2 Additional Herp sessions, total of 5 sessions, on POM managed lands

5) \$ 25,000 - Cultural surveys on San Ysidro POM managed lands, 517 acres

6) \$ 65,000 - On-going biological surveys on the ~1,300 acres of POM managed lands

7) \$ 100,000 - Update RMP/Preserve Biologist

8) \$ 60,800 - As-needed management and/or monitoring

\$340,000 - Total

POM Budget Forecast (CFD 97-2)
Showing FY07-08 thru FY13-14
January 23, 2009

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
FISCAL YEAR	NUMBER OF TAXABLE PARCELS ¹	AVERAGE PER PARCEL ASSESSMENT ² (D/B)	MAXIMUM LEVY AMOUNT	CHANGE IN REVENUE FROM ASSESSMENT COMPARED TO PREVIOUS FY (D2-D1/D2)	REVENUE ³ [D-(D*0.0817)]	CARRY FORWARD BALANCE (RESERVE) ⁴	HEALTH OF THE CARRY FORWARD BALANCE (RESERVE) ⁵ (G/O)	INTEREST EARNED ON FUND BALANCE ⁶	TOTAL ANNUAL FUNDING AVAILABLE (F+G+I)	OPERATIONAL EXPENDITURES (includes COLA) ⁸	TOTAL BASELINE SURVEY EXPENDITURES ⁹	TOTAL ON-GOING BIOLOGICAL SURVEY EXPENDITURES ¹⁰	ADDITIONAL MANAGEMENT/ MONITORING TASKS ¹¹ (F+I)-(K+L+M) & H must be at least 75%	TOTAL EXPENDITURES (K+L+M+N)	DIFFERENCE BETWEEN REVENUE + INTEREST EARNED AND TOTAL EXPENDITURES (F+I)-O	YEAR-END BALANCE (J-O)
1 2007-08	9,536	\$40.12	\$382,623		\$362,206	\$284,044	94.68%	\$18,905	\$665,155	\$195,720	\$110,000	\$0	\$0	\$300,000	\$81,111	\$365,155
2 2008-09	9,536	\$53.52	\$510,339	25.03%	\$468,644	\$365,155	72.24%	\$15,000	\$848,799	\$165,500	\$114,200	\$65,000	\$160,800	\$505,500	(\$21,856)	\$343,299
3 2009-10	9,536	\$55.12	\$525,649	2.91%	\$482,704	\$343,299	72.85%	\$15,000	\$841,003	\$203,765	\$202,500	\$65,000	\$0	\$471,265	\$26,439	\$369,738
4 2010-11	9,536	\$56.78	\$541,419	2.91%	\$497,185	\$369,738	75.84%	\$15,000	\$881,923	\$210,000	\$157,500	\$110,000	\$10,000	\$487,500	\$24,685	\$394,423
5 2011-12	9,536	\$58.48	\$557,661	2.91%	\$512,100	\$394,423	77.57%	\$15,000	\$921,523	\$216,000	\$112,500	\$145,000	\$35,000	\$508,500	\$18,600	\$413,023
6 2012-13	9,536	\$60.23	\$574,391	2.91%	\$527,463	\$413,023	76.56%	\$15,000	\$955,487	\$222,000	\$112,500	\$170,000	\$35,000	\$539,500	\$2,963	\$415,987
7 2013-14	9,536	\$62.04	\$591,623	2.91%	\$543,287	\$415,987	75.29%	\$15,000	\$974,274	\$230,000	\$112,500	\$170,000	\$40,000	\$552,500	\$5,787	\$421,774

Assumptions:

¹The number of taxable parcels will change as more development within Otay Ranch is completed or annexed into the district.

²The Average per parcel assessment is for illustrative purposes only, as parcel classification varies and effects each parcel's tax rate.

³Revenue factors a delinquency rate of 8.17% to the levy amount.

⁴The Carry Forward Budget (Reserve) is equal to the funds remaining at the end of the previous fiscal year.

⁵The Health of the Carry Forward Budget (Reserve) is equal to the fund balance over current year budget. The minimum amount is set by the City's Open Space Policy, i.e. Minimum is 50% of the FY Total Budget, maximum is 100% of the FY Total Budget. Ideal Reserve health is between 75% to 100%.

⁶The actual interest earned for FY07-08 was \$18,905. For every FY after 07-08, it is assumed that the fund balance will earn \$15,000 in interest.

⁷The Operational Expenditures includes the cost of City/County Admin staff time, CFD consultant, Seasonal Park Attendant/Park Ranger salary, and Preserve equipment and improvement costs. The Seasonal Park Attendant position is proposed to be converted to a Park Ranger in FY 09-10. If the POM does not accept an additional 700 acres by the of middle of FY09-10, the Seasonal Park Attendant position will not be converted and the remaining funds may be reallocated to additional management or monitoring tasks (as-needed). A Seasonal Park Attendant position is proposed to be added for every additional 3,000 acres conveyed to the POM. Due to the current economic conditions, cost of living adjustments for salary and benefits have not been factored into the projected operational expenditures.

⁸Baseline surveys are one-time costs and are completed on newly conveyed lands. The cost of baseline surveys is calculated at \$225/ac. It is assumed that: 900 acres will be conveyed to the POM in FY09-10; 700 acres in FY10-11; and 500 acres each year after FY10-11.

⁹On-going biological surveys are annual biota monitoring costs on POM managed lands. The cost of on-going biological surveys is calculated at \$50/acre.

¹⁰Additional Management/Monitoring Fund is the balance of funds from the Revenue and Interest Earned on Fund Balance after Operational, Total Baseline Survey, and Total On-Going Biological Survey costs are deducted. These funds are available if the health of the Reserve fund is at 75% or greater of the total FY budget. These funds can be used on active management on POM managed lands or Preserve-wide biota monitoring efforts (minus those lands managed or owned by the federal or state government). Specific tasks for these funds will be identified annually on an as-needed basis. If no tasks are identified, these funds will be carried forward to the Reserve and/or the assessment rates for the following FY will be adjusted.

Note to Reader:

Approval of Village 13, within the unincorporated County, will require the creation and implementation of a CFD administered by the County of San Diego. This will help defray the costs to manage and monitor the Preserve once homes are built and assessments charged.

DRAFT

**OTAY RANCH PRESERVE OWNER/MANAGER (POM)
POLICY COMMITTEE MEETING
1800 Maxwell Road, Lunch Room
Chula Vista, CA 91911**

February 4, 2009
2:00-4:00 pm

AGENDA

- I. Call to Order**
- II. Approval of POM Policy Committee Meeting Minutes of November 20, 2008**
- III. Public Comment on items not related to Agenda**
- IV. Status Reports**
 - A. Outstanding Issues on Pending Conveyances** (*Josie McNeeley, Cheryl Goddard*)
 - 1. Future Infrastructure**
 - a. Mediation
 - 2. Access Issues**
 - a. Access through other Public Agency lands
 - B. Future Preserve Owner/Manager Alternatives**
 - 1. Alternative Pros and Cons**
- V. Finance** (*Josie McNeeley, Cheryl Goddard*)
 - A. FY08-09 Budget Update**
 - B. Proposed FY09-10 Budget**
 - C. 5-year Projected Budget**
- VI. Next Policy Committee Meeting** (*Cheryl Goddard, Josie McNeeley*)
 - A. TBD**
- VII. Adjournment**